

GERMANY SHUTS OUT U.S., 2-0



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TODAY'S  
STYLE  
Crusade Wear: Page 11

## The Party Turns Ugly in Marseille

Violence Breaks Out  
Between Fans From  
England and Tunisia

By Christopher Clarey  
International Herald Tribune

MARSEILLE — For the second consecutive day, tear gas drifted through the streets of this port city. The World Cup that Marseille hoped to celebrate with parades, concerts and bicycle races on the beach has not gone according to plan.

French riot police had to intervene again on Monday to stop fighting between fans of England's and

German-U.S. match, Page 21.



A British fan being arrested during World Cup violence in Marseille.

Tunisia's soccer teams. As of 9 P.M., 16 more people had been arrested and 22 treated at local hospitals, according to a spokesman for the regional prefecture. On Sunday night, 35 people were hospitalized, including one Englishman with a serious knife wound, and 50 arrested — 30 English, 14 French and 6 Tunisian — as violence and vandalism swept through the city.

"Until last night, this was a party, but it's not a party anymore," said Jean-Noel Ruiz, a 17-year-old from Marseille.

The regional prefect, Jean-Paul Proust, responded by prohibiting bar and restaurant owners in Marseille from selling alcohol after 4:30 P.M. to people who wished to take it away from the premises. He also ordered bars in the city center to close by 11 P.M., although many establishments elected not to open at all on Monday night after the violence continued during the day.

The first incident occurred outside the gates of the Stade Velodrome at about 12:30 P.M., two hours before the start of the England-Tunisia match in Group G. As fans emerged from the metro and made their way toward the stadium, groups of Tunisia and England fans began hurling bottles and cans at each other and exchanging blows.

See SOCCER, Page 20

## Tumbling Yen Sparks Fears Of Devaluations Across Asia

Markets Fall Around the World

By Keith Richburg  
Washington Post Service

HONG KONG — The crumbling yen sent Asian stocks and currencies plummeting Monday, with Hong Kong's blue-chip Hang Seng index leading the plunge amid fears that this recession-hit region may be heading for a new wave of copycat devaluations — and that China may eventually be forced to devalue its currency in a bid to remain competitive.

The Asian market tumble prompted a sell-off in the United States, where the

Rush to convert yen, Page 13.

Dow Jones industrial average closed sharply lower, and in Europe, where most major markets lost more than 1 percent.

Hong Kong share prices were further battered by rising interest rates, news that local unemployment had hit a 15-year high, and renewed concern that the Hong Kong dollar's link to the U.S. dollar may come under renewed pressure.

The Hang Seng closed down 5.72 per-

cent Monday, ending at 7,462.50 points. Hong Kong's market is now down 50.4 percent from where it stood at the start of the Asian meltdown last July.

"This is a big fall," said James Osborn, head of sales for Barings Securities Ltd. in Hong Kong. "The only two things that are record highs this year are unemployment and rainfall."

The Hong Kong government announced that unemployment for the last three months reached 4.2 percent, the highest for the territory in a decade and a half, confirming fears that the territory is now in a full-blown recession.

Stock and currency markets were battered from Japan and South Korea in the north to Thailand, Malaysia and Singapore in the South. With the yen closing at 144.95 in Tokyo, the key Nikkei average fell 1.3 percent, to 14,825, closing below 15,000 for the first time since January. Shares in Thailand closed down 5.7 percent, Malaysia was down 4.3 percent, South Korean shares were 4.8 percent lower, Singapore share prices dropped 3.5 percent, and the Philippines fell 4.5 percent.

See ASIA, Page 16

The Dollar			
New York	Monday 4 P.M.	previous close	
DM	1.8105	1.8054	
Yen	146.15	144.33	
FF	6.071	6.0553	
Pound	1.636	1.6335	
The Dow			
Monday close	percent change		
-207.01	8,627.93	-2.34%	
-21.81	1,077.01	-1.98%	

## With a Bow To Shintoism, Ford Gently Leads Mazda

By Sandra Sugawara  
Washington Post Service

HIROSHIMA — Managing in the global economy requires a certain flexibility. And so it was that James Miller, an American from Ford Motor Co., sat solemnly in the biting cold alongside Mazda Motor Corp. executives at a Shinto shrine on the sacred island of Miyajima near here.

Mr. Miller bowed twice, clapped twice and then bowed again. Then, as a Shinto priest silently looked on, Mr. Miller and the others made their New Year's vow to the gods — to make Mazda globally competitive — and asked the gods' blessing.

Not exactly how they do it in Detroit. But Mr. Miller and his Ford colleagues have been willing to do whatever it takes to bolster Mazda's profitability. That can-do American ethic is making them surprisingly popular here — in a business culture that just a decade ago thought it had little to learn from the United States. Much as the Japanese taught American auto companies about manufacturing, the Americans are now teaching their Japanese counterparts about management.

See MAZDA, Page 16

## NATO Planes Warn Serbs To Halt Kosovo Assault

By Christine Spolar  
Washington Post Service

KUKES, Albania — NATO countries embarked on a five-hour military exhibition along the border of Yugoslavia on Monday aimed at ending Serbian military action in the province of Kosovo.

A total of 83 aircraft from 15 bases across Europe were launched on Monday morning in what clearly was a show of political will and potential military force to stop yet another bout of ethnic cleansing in the Balkan region.

For two months, President Slobodan Milosevic of Yugoslavia has levied the most extensive military assault in the region — casting Serbian military against ethnic Albanian separatists — since the end of the Bosnian war in 1995. In the last two weeks, thousands of ethnic Albanians, who account for nine of every 10 people in Kosovo, have fled their homes and poured into its closest neighbor, Albania. More than 300 people have been killed.

Western powers last week approved

the air exercise as a warning to Mr. Milosevic and promised that harsher measures could follow.

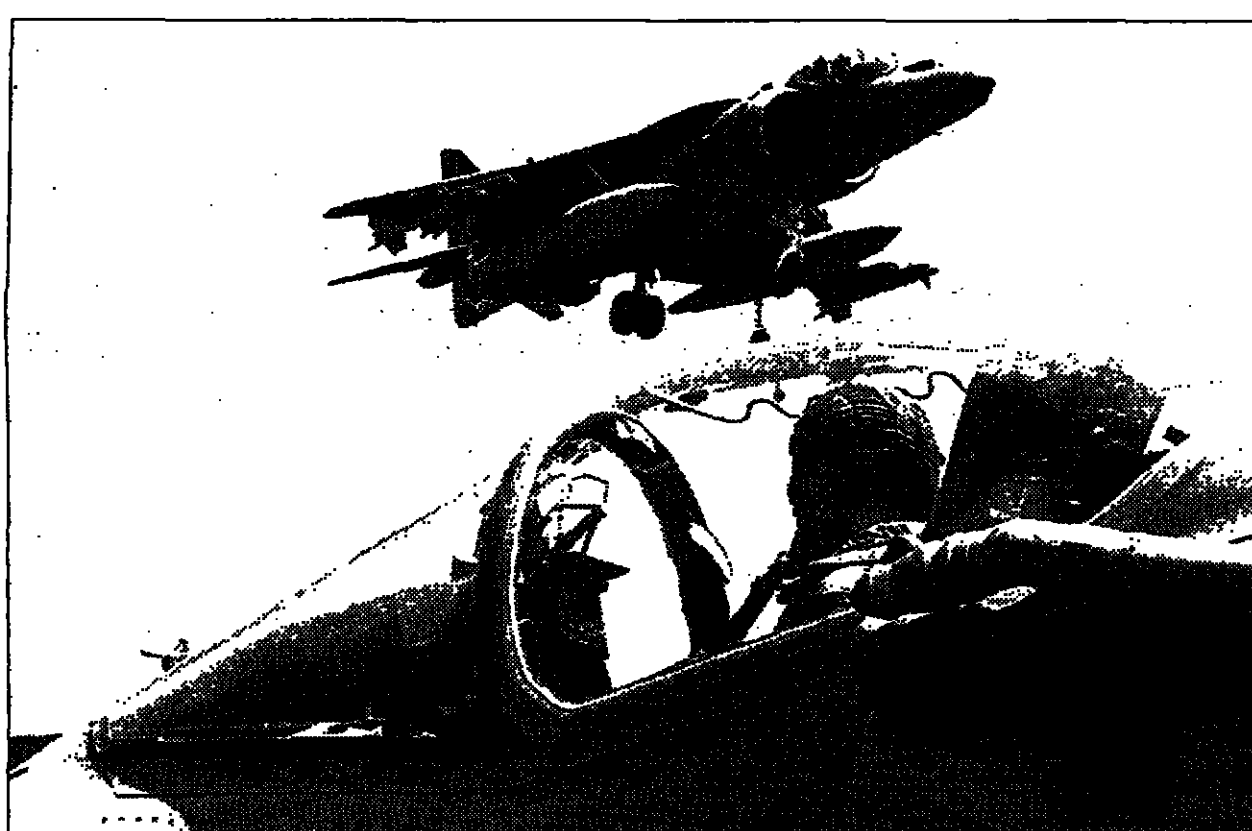
(Mr. Milosevic arrived in Moscow on Monday evening and is due to hold talks with President Boris Yeltsin on Tuesday to try to find ways of diffusing the crisis in Kosovo, Reuters reported from Moscow. Earlier Monday, Russia, which traditionally has good ties with the Serbs, accused NATO of misleading it over alliance air exercises, Page 4.)

According to NATO headquarters in Brussels, 28 aircraft left Aviano Air Base in Italy by 7 A.M., heading first to Macedonia and then to Albania. Jets flew across the countries in figure-eight maneuvers and then edged close to the borders, NATO spokesmen said late Monday.

The unusual air show ended at noon. No other flights are planned as yet, the spokesmen said.

The point, as one NATO official said, is "not for the people of that region to see, but for others, across the border, to take

See KOSOVO, Page 4



A U.S. attack jet landing on a ship in the Adriatic on Monday during NATO's show of force in the Balkans.

## Era Ends: Goldman, Sachs to Go Public

By Mitchell Martin  
International Herald Tribune

NEW YORK — An era ended on Wall Street on Monday when Goldman, Sachs & Co. announced it was planning to become a corporation and sell shares to the public, giving up a partnership structure that was widely seen as inhibiting the expansion of the international securities firm.

With "more than a touch of sadness," Goldman's co-chairmen, Jon Corzine and Henry Paulson Jr., said in a joint statement that the partners were "determined to match the firm's capital structure to its mission of being the preeminent, independent investment bank in the world." The company plans to sell 10 percent to 15 percent of itself on the stock market this autumn.

Mr. Corzine and Mr. Paulson added

that it was a fundamental objective of the 190 partners "to share ownership benefits and responsibilities more broadly among all of the firm's employees."

What they did not say was that the existing partners would reap a bonanza of about \$110 million each by owning stock instead of their partnership interests. That number is based on an expected stock-market value of about \$30 billion, compared with the \$6.3 billion of capital the firm has under its current structure.

The New York Times quoted sources as calculating that the partners would get \$20 billion to \$22 billion, while 6,000 nonpartner executives would split \$6 billion to \$8 billion, and the remainder would be reserved for the firm's outside investors and limited partners. Currently, Sumitomo Bank Capital Markets and the Hawaiian landowner Kamehameha Schools/Berlitz Pauahi Bishop Estate own about 20 percent of Goldman.

But analysts said the decision was based on expansion concerns, not a desire to turn a quick profit on a public sale. "The issue is 'how do we make Goldman, Sachs a bigger company, how

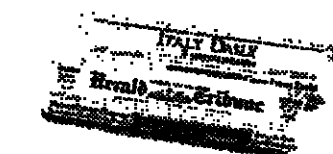
See GOLDMAN, Page 10

## Note to Readers: IHT Begins Printing A Joint-Venture Supplement in Italy

Beginning today, a four-page supplement of Italian news in English will be included with all copies of the International Herald Tribune distributed in Italy.

The daily supplement, called Italy Daily, is a joint venture of the IHT and the Italian publishing group Rizzoli-Cortiere della Sera Editori. It will be printed with the IHT in Bologna for early distribution and will contain political and economic news of Italy, plus commentary, TV and cultural listings and lifestyle features.

The supplement is the third such



local-section joint venture by the IHT, which launched similar supplements in Israel with Ha'aretz in September 1997 and with Kathimerini in Greece in March.

Italy Daily's editor is Claudio Gatti. The managing editor is Gabriel Kahn.

## Ahead of Clinton's Visit, China Recollects Wartime Ties With U.S.

By John Pomfret  
Washington Post Service

XINXIANG, China — Wang Wengong pointed a crooked finger skyward and traced the swooping descent of a small plane. "It came this way," he said, squinting over lush fields of spring wheat. He was remembering April 22, 1945, when the plane came to rescue an American pilot whom villagers had been hiding from occupying Japanese troops for more than a month.

After decades of ignoring the ties that led to the defeat of Japan, the Chinese government has

switched gears and launched an officially backed initiative to remind Americans — and Chinese — of the depth and history of the U.S.-China relationship. The rescue of Colonel Gabriel Disosway, as recalled by Mr. Wang, is one of many such stories to emerge as President Bill Clinton prepares to go to China for a summit meeting this month.

Mr. Wang recounted the incident with the enthusiasm of the 14-year-old boy he was at the time, peeking out at history from behind a hole in a mud-walled courtyard. "Other planes were attacking the train station to the west," Mr. Wang said.

"There were bombs going off. The sky was black. Then it landed there, near those trees, on land that belonged to my father."

The plane belonged to the 14th Air Force of the U.S. Army in China, part of U.S. efforts to fight the Japanese. Its mission was to save Colonel Disosway, an American pilot who had been shot down in his P-51 Mustang fighter by Japanese during an American air raid on an ammunition train near this city in central China.

Colonel Disosway had been sheltered for weeks by Chinese peasants in the area. Within minutes, he was airborne and heading for safety behind Amer-

ican lines in Xian, 300 miles (480 kilometers) away.

The motivation for this officially inspired recollection — in the form of TV serials and documentaries, news reports, joint expeditions to search for the bones of dead American soldiers, memorials and monuments — appears to be twofold: to fight a rear-guard action against conservative elements within the Communist Party that oppose closer ties with the United States, and to counter what many Chinese government officials fear is a

See CHINA, Page 10

Newsstand Prices

Bahrain	1,000 BD	Malta	55 c
Cyprus	€ 1.00	Nigeria	1250 Naira
Denmark	14.00 DKr	Oman	1,250 QR
Finland	12.00 FM	Qatar	10.00 QR
Gibraltar	€ 0.85	Rep. Ireland	€ 1.00
Great Britain	€ 0.90	Saudi Arabia	10 SR
Egypt	€ 5.50	S. Africa	€ 12 + VAT
Jordan	1,250 JD	U.A.E.	10.00 Dh
Kenya	K. SH. 160	U.S. Mk. (Eur)	\$ 1.20
Kuwait	700 Fils	Zimbabwe	22m \$40.00









THE AMERICAS

# Did Starr Break the Law in Interview?

Probably Not, Legal Experts Say, but His Judgment Is Dubious

By David G. Savage  
Los Angeles Times Service

WASHINGTON — Did Kenneth Starr, the independent counsel, violate the law when he privately briefed reporters on his investigation of President Bill Clinton?

Probably not, according to former prosecutors and legal experts, since it is illegal only to "disclose matters occurring before the grand jury."

Nonetheless, they condemned Mr. Starr's actions as unwise, unfair and imprudent. His explanation relies on a technicality, they said, and ignores the principle of privacy the law is intended to protect.

"The whole purpose of the rule is to protect the innocent. Nobody is supposed to know an investigation is under way," said Stephen Saltzburg, a law professor at George Washington University and a former associate independent counsel.

Yet, the whole world knows Mr. Starr is investigating whether Mr. Clinton told a former White House intern to lie about an alleged affair with the president and whether Mr. Clinton lied under oath about any affair. And this universal public knowledge of the investigation appears to be due in part to Mr. Starr's private briefings for selected reporters.

"He's not playing by the same set of rules that other federal prosecutors fol-

low," said Laurie Levenson, a Loyola University law professor and a former assistant U.S. attorney in Los Angeles. "Prosecutors are not supposed to comment about an ongoing investigation. The prudent thing to do is to give a two-word response: 'No comment.'"

E. Lawrence Barcella Jr., a former federal prosecutor, said: "At minimum, I think he is violating the spirit of the rule. This is an ongoing investigation. He has obtained information through grand jury subpoenas, and he shouldn't say anything about it."

At issue is Rule 6-E of the Federal Rules of Criminal Procedure, and whether Mr. Starr has followed it faithfully. It says prosecutors and their staffs "shall not disclose matters occurring before the grand jury." The bar on disclosures of "grand jury material" includes documents and testimony from witnesses. Violators can be punished with reprimands, fines and even prison terms.

Mr. Starr takes a narrow view of this rule. He insists his occasional briefings for reporters were not "improper" because he did not disclose grand jury secrets.

"The Office of Independent Counsel does not release grand jury material directly or indirectly, on the record or off the record," Mr. Starr said in a statement issued Saturday. While admitting that he and an aide, Jackie Ben-

nett Jr., had briefed reporters on developments, Mr. Starr said he "talked to the press about non-6-E material where necessary to correct misinformation that has become public."

This suggests a benign motive to correct the record. Suppose, to take a hypothetical example, a reporter hears a rumor from a defense lawyer that Mr. Starr's investigation is complete, and he is preparing a report to send to Congress in the next month.

If a reporter asked Mr. Starr's office if that rumor were true, most lawyers say the independent counsel could properly respond that the rumor is incorrect. In that instance, the prosecutor would not reveal any new information about his investigation. He would merely be correcting a false story.

"Rule 6-E is not a guarantee of total secrecy. It doesn't prohibit all prosecution statements to the press," said Erwin Chemerinsky, a law professor at the University of Southern California. "A prosecutor can talk about something like the schedule of the investigation. That would not involve disclosing grand jury proceedings," he added.

But in Mr. Starr's interview with the magazine publisher Steven Brill, he seemed to go quite a bit further. In response to Mr. Brill's queries about the many news leaks during the first weeks of the Monica Lewinsky investigation, Mr. Starr indicated it was proper for him to disclose some information turned up by his investigators.

"Well, it is definitely not grand jury information, if you are talking about what witnesses tell FBI agents or us before they testify before the grand jury or about related matters," Mr. Starr is quoted as saying. "So, it is not 6-E."

In the view of many legal experts, however, the rule of grand jury secrecy could be rendered worthless under this interpretation. Prosecutors could interview witnesses before they went before the grand jury and reveal what they say, all without violating Rule 6-E.

The latest misstep by Mr. Starr reignited the criticism of his long, drawn-out investigation. Many lawyers were quick to note that Mr. Starr had never prosecuted a case until he was named to head the Whitewater investigation in 1994.

"This is clearly the work of an amateur," said Mr. Barcella, the former federal prosecutor. "Ask nearly every prosecutor what he should do, they will say it should be no comment. Instead, he goes out and hires a press flack."



Captain Robert Ashby, pilot of the jet that hit a ski cable in Italy, following his lawyer into a military courtroom Monday for a hearing.

## Ski-Lift Death Inquiry

Jet Crew Knew Altitude Rules, Officer Testifies

The Associated Press

CAMP LEJEUNE, North Carolina — A Marine aviation squadron commander testified Monday that his officers were briefed about altitude restrictions months before a Marine jet sliced a ski gondola cable in the Italian Alps, sending 20 people plunging to their deaths.

Lieutenant Colonel Richard Muegge was the first witness at the hearing for the pilot and navigator of the EA-6B Prowler.

The hearing, which will last through the week, will determine whether Captain Richard Ashby, 30, and Captain Joseph Schweitzer, 30, should be court-martialed for the Feb. 3 accident.

After a similar hearing in May, a military judge, Lieutenant Colonel Ronald Rogers, put off a decision regarding the jet's backseat electronic equipment crew — Captain William Raney, 26, and Captain Chandler Seagraves, 28 — until a review of the evidence concern-

ing the pilot and navigator. Colonel Rogers' recommendation on whether there should be further action then goes to Lieutenant General Peter Pace, commanding general for Marine Corps Forces, Atlantic, who makes the final decision.

The cable severed by the jet was strung 115 meters (370 feet) above the ground. Colonel Muegge testified that in December all squadron officers were told to review altitude restrictions, including a Marine Corps prohibition of flights below 300 meters and the Italian government's restriction of double that in the area where the jet hit the cable.

The restrictions were discussed at a meeting on Dec. 15, and in an e-mail on Dec. 17, the commander said.

Information about the altitude restriction also was in a printed guide in the jet's front cockpit, Colonel Muegge said. He said the guide was supposed to be periodically updated to enter information on obstructions.

## Supreme Court Upholds Disabled Prisoner Rights

The Associated Press

WASHINGTON — State prison inmates are protected by a federal law that bans discrimination against the disabled, the Supreme Court ruled Monday.

The law applies to any state or local government agency and does not exclude prisons, the court said. The unanimous ruling lets a former Pennsylvania prisoner sue over his exclusion from a boot camp program that could have shortened his sentence.

"State prisons fall squarely within the statutory definition of public entity," Justice Antonin Scalia wrote for the court.

The court rejected the argument of Pennsylvania authorities that prisons do not necessarily offer the types of programs addressed by the Americans With Disabilities Act.

"Modern prisons provide inmates with many recreational activities, medical services and educational and vocational programs," Justice Scalia said. "The text of the ADA provides no basis for distinguishing these programs, services and activities from those provided by public entities that are not prisons."

The ruling upholds a federal appeals court decision that let Ronald Yeskey sue Pennsylvania prison authorities over their refusal to enroll him in the boot camp program.

The Clinton administration support-

ed Mr. Yeskey's argument that state inmates are protected by the 1990 federal disabilities law, which has led to many improvements for the disabled, such as wheelchair ramps in public places.

The law bars discrimination against the disabled by public entities including "any state or local government."

Public agencies can be required to make reasonable modifications to accommodate the needs of disabled people who otherwise are qualified for a program or service.

In other decisions Monday the court made these decisions:

- It ruled that it has the authority to review some lower court decisions that deny inmates the right to appeal their convictions. Ruling, 5 to 4, in the case of a Nebraska man convicted under an anti-gun law, the high court said a 1996 federal law does not strip it of authority to hear some appeals.

- It voted, 6 to 3, that people can be found guilty of "willfully" selling guns without a license even if there was no proof they knew about the licensing requirement. The court upheld a New York man's federal conviction.

- It ruled unanimously that people seeking Social Security disability benefits can seek immediate help from a federal appeals court when a trial judge sends their case back to a federal agency for more study.

## Away From Politics

- A teacher and a volunteer instructor were shot and wounded in a high school in Richmond, Virginia. A student, 14, was arrested and a second person was being questioned. (AP)

- Heavy rains flooded parts of southwest Iowa, forcing people to evacuate and leaving up to 10 feet of standing water behind. Griswold, a town of 1,049, got 8 to 10 inches of rain. (AP)

- The U.S. government and the nation's air traffic controllers reached

agreement on a new five-year contract that will increase the number of controllers, decrease the number of supervisors and raise salaries. (AP)

- An off-duty police officer was arrested in New York for allegedly shooting a man who was cleaning car windows with a squeegee near an expressway in the Bronx. The city has been cracking down on people trying to get cash for unsolicited washing of car windows at stop lights. (AP)

- Five motorcyclists, all wearing helmets, died in a pileup that closed a two-lane stretch of U.S. 101 for several hours near Willis, California, north of San Francisco. (AP)

## When It Comes to Kitsch, Go to Cali

Drug Lords Primed Art Market That, Like Them, Is in Decline

By Laura Brooks

Washington Post Service

BOGOTA — For years, Colombian drug lords collected art the same way they chose their clothes, jewelry, homes and women: with outrageous excess and ostentatious bad taste.

They snapped up opulent million-dollar portraits and hung them amid garish hunting trophies. They mixed bronze, marble, gold and glass as relentlessly as they moved cocaine out of Colombia.

Drug lords "were people who had no taste," says a Bogota gallery owner, Alfred Wild. "I saw things that were absolutely horrible all over Colombia. They bought the best, but if you don't know how to combine the best, it's horrible."

Flush with cash, drug kingpins pumped millions into sculptures and paintings in the 1980s, helping to spur an art-market boom that spawned luxurious galleries and sent art prices soaring in Bogota, Cali and Medellin.

But with the death of the drug baron Pablo Escobar in 1993, the jailing of Cali cartel leaders in 1995 and the dispersal of other major traffickers in police crack-

downs, Colombia's art market has fallen on hard times, gallery owners say.

"A lot of people are trying to sell, but there are very few buyers," said Maria Cristina Iriarte, a former gallery owner. "Today, drug traffickers are more discreet and stealthy — they don't purchase as much."

In the 1980s, many drug lords used their riches to acquire status in class-conscious Colombia. Surrounded by glittering jewelry, grandiose homes, flashy cars and art, the traffickers achieved an awkward but cozy understanding with Colombia's establishment.

"Everyone tried to get money out of them," Ms. Iriarte said. "There wasn't much resistance. Society had a lot of complicity."

People viewed the narcotics as another group of nouveau riche without looking at the violence."

Soon, lavish, drug-financed, multistory art galleries sprang up around Bogota. Art prices doubled, tripled — and kept climbing till they became "unreal," said an art historian who asked not to be identified.

Inside the marble splendor of vast estates, drug lords haphazardly adorned walls with costly portraits and landscapes by Colombian and international artists.

"Hanging big paintings gave them a huge status — fast," Mr. Wild said, adding that the kingpins favored realistic, not abstract, art.

At one estate, Mr. Wild recalled cringing as he spotted a work by the U.S. painter Frank Stella jutting out amid about 30 animal head trophies.

"There was a marble floor and these horrible bronze sculptures from the 18th and 19th centuries," he said.

"It was the most horrible mix you could find. Not even if you wanted to do kitsch could it be meant as kitsch."

Not all kingpins had bad taste. Mr. Escobar acquired an enviable collection of Latin American and European art before he was gunned down by the police, said a dealer, who requested anonymity.

Many traffickers were obsessed with animals — accumulating private zoos, life-size statues of lions, tigers and dinosaurs plus other animal art, dealers said.

## POLITICAL NOTES

### No Nose Rings, Air Force Says

WASHINGTON — The air force is standing firm against nose rings, tongue rings, body-piercing in general, mismatched earrings on female members and "excessive" tattoos. It will require removal of offensive tattoos.

Interim Change 98-1, issued last week, notes that the service has always prohibited people with "excessive or offensive tattoos" from joining. But there hasn't been a policy against piercing and such while on active duty.

So the new policy says members should "refrain from obtaining tattoos and brands" and "piercing their body" because it is unhealthy and presents a "faddish image."

Any tattoo or brand that is obscene or "advocates sexual, racial, ethnic or religious discrimination" is prohibited, and if you get one you "will be required to remove" it at your own expense or quit.

Now if your problem is "excessive" tattoos — meaning they "exceed one-quarter coverage of the exposed body part and those visible above the collarbone when wearing an open-collared uniform" — better keep them covered up as best you can and check with your base commander about getting them removed. Anyone who has gone tattoo crazy before this notice might get them removed courtesy of the air force.

While in uniform, no "objects" may be put "through the ear, nose, tongue or any exposed body part," the new regulations say, with one exception: "Females are authorized to wear one small, spherical, conservative, diamond, gold, white pearl, or silver pierced/clip earring per earlobe," the notice says. The earrings must match. (WP)

### Cancer Hot Line Answering Busy

WASHINGTON — Nearly one-third of the people who call the government's toll-free telephone number to obtain information about cancer get a busy signal or simply hang up because they have to wait so long. Federal investigators say.

The investigators said that the telephone service, run by the National Cancer Institute at a cost of \$21.4 million this year, was "the most comprehensive and credible source for cancer information" in the United States. But, they said, it has been operating far below the standards of customer service set by private industry and promised by President Bill Clinton, with his pledge to reinvent government.

The toll-free number is 800-4-Cancer (800-422-6237). It receives 600,000 calls a year.

In a report to be issued next week, June Gibbs Brown, inspector-general of the Department of Health and Human Services, said: "In 1997, almost one out of every three attempted calls to the Cancer Information Service failed to reach an information specialist. (NYT)

### Quote/Unquote

Newt Gingrich, the House speaker, after about 40 graduates, upset because of declining admissions for minority students, walked out as he delivered the commencement address at the University of California at San Diego: "I suspect that here today, virtually all of you — clearly not all of you, but virtually all of you — are very happy, and your parents are happy because you made it." (AP)

## Lifesaving AIDS Drug May Produce Disfiguring Side Effects

The Associated Press

WASHINGTON — Some AIDS patients are developing a bizarre syndrome of disfiguring fat deposits on parts of their bodies as their faces and limbs shrink to skin and bones — possibly side effects of lifesaving drugs called protease inhibitors.

Doctors' reports to the government paint a stark picture: Three women looked like "apples on a stick" from the mound of stomach and breast fat above birdlike legs. Another patient developed a large hump on the nape of his neck like a buffalo's. A woman jumped from size 4 to 12 as her waist barreled and her legs shrank.

The Food and Drug Administration is worried that so-called "buf-

falo humps" and "protease paunches" are more than a cosmetic problem: some patients also are developing risks for heart disease such as skyrocketing cholesterol. The FDA, AIDS researchers and drug companies are scrambling for answers.

"We don't want to alarm people, because we think the benefits of protease inhibitors still outweigh the risks," said Jeff Murray, FDA medical officer. But, he added, "We're concerned."

A few patients reported the syndrome disabling enough to dismiss doctors' protests and stop taking the medicines that have saved thousands of lives since hitting the market a year and a half ago. But doctors

say most understand that stopping protease inhibitors will let the AIDS virus rebound.

"What good is vanity if you're dead?" asked Mark Estrop, 37, of Atlanta, who has a two-inch-deep buffalo hump. The fat now is migrating under his chin, and his cholesterol level has jumped to 538, far beyond the healthy limit of 200. As a result, he's now taking anti-cholesterol drugs, too.

Fat deposits "really are quite deforming," said Dr. Harvey Abrams, a Los Angeles dermatologist who surgically removed 14 humps so large that patients could not turn their heads. Dr. Abrams discovered the humps were not typical squishy fat but dense, fibrous tissue.

Merck & Co., maker of the biggest-selling protease inhibitor, notes a lack of proof that protease inhibitors are to blame. It reports finding fat problems in some patients who never took the drugs. The phenomenon could simply be another AIDS symptom that most patients until now have not lived long enough to see, or it could result from a combination of other AIDS medicines.

"We don't know what's causing the fat redistribution syndrome," said Joan Benson, a researcher at Merck who is designing a study of 100 Los Angeles patients to define the problem better.

The FDA says all four protease inhibitors currently being sold are

prime suspects. It is investigating 64 patients, but "there's a lot more than that," said Mr. Murray, the agency's medical officer. Checking the FDA's database, he found only three reports of the problem with older AIDS drugs.

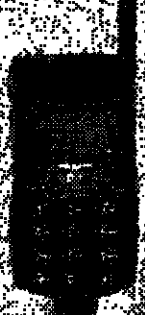
Researchers estimate that from 5 percent to 64 percent of HIV patients may have the condition.

A new Australian study of 75 patients found that the condition was a "common complication of HIV protease inhibitors."

Protease inhibitors already are known to increase the risk of diabetes by raising blood sugar, so AIDS researchers are studying whether the new inhibitors were known to increase diabetes risk.

# Small Smaller

gsm110 Philips' smallest mobile phone on the market



## PHILIPS

Let's make things better



## INTERNATIONAL

## In South Africa, Environmentalists Pick Up Axes to Chop 'Alien' Species

By Donald G. McNeil Jr.  
New York Times Service

SANDTON, South Africa — "What tree is that?" calls Diane Sheard, environmental education officer at the Reifontein Nature Reserve in the leafy Johannesburg suburbs.

"Blue gum!" her fourth-through-sixth-graders shout back.

"Where is it from?"

"Australia!"

"Do we like it?"

"No!"

The Redhill Enviro Club is out for its Friday afternoon outing, doing what so many budding environmentalists do here — ripping up plants. They won't chop down this eucalyptus tree today, because it is two meters around. But they will don their mothers' gardening gloves and tear up a lovely swath of flowering lantana.

About 1,250 kilometers to the south, Rayno Frans is being dropped off by helicopter for a week in the Rieversonderberg Mountains east of Cape Town. Mr. Frans, 27, is in an elite unit of the Ministry of Water and Forestry Affairs. Biv-

ouacking in the wild, he and nine other environmental commandos work the peaks with axes and chain saws, rappelling down sheer cliffs to stalk their prey. Their name: The Alien Hit Squad. Their mission: kill pine trees.

There's something different about environmentalism in South Africa.

While American and European children get "green" environmental education that turns them into tree-huggers who believe every sapling is special, South Africans get a different perspective on nature. The environment here is under threat not so much from the smokestacks and parking lots of heavily industrialized countries, but from "exotics" — aliens from afar bent on stealing the nation's water and driving out its native vegetation.

There is nothing irrational in this fear. The assault from America, Europe and Australia is very real. Because Africa's animal life — from lions to crocodiles to malarial mosquitoes — appears so ferocious, many foreigners assume the whole environment is rugged. In fact, the African landscape is quite fragile.

The stunted thorn trees of the savannas, adapted to drought, cannot compete with foreign

giants like eucalyptuses and willows with their deep taproots. Nor can they live beneath the pines that, freed from the annual slowdown of snowy European and American winters, grow wildly and blot out the sun.

"You have invader problems in Australia and California," said Cobus Meiring, a spokesman for the Ministry of Water Affairs and Forestry. "But nothing on this scale."

Particularly fragile is the Cape Town area. There are more species of fynbos on the tiny Cape Peninsula than in all the British Isles.

Fynbos is a sort of multicolored gorse — a short, tough-leaved plant that thrives in summer fog. But along nearly all the Cape's streams, it has been destroyed, pushed out by black wattles, Port Jackson trees and Australian myrtle.

And, as if choking off the native growth were not bad enough, the aliens suck up Africa's most precious resource: water. In some watersheds, creek flow has been reduced 60 percent, said Christo Marais, a fynbos expert for Cape Nature Conservation, a government agency.

Fynbos uses little water. But big aliens can

absorb and "sweat" up to 500 quarts a day into the air. That dries up the water tables that humans rely on for drinking water.

If a satellite photo could identify species, it would show that most of South Africa is covered with alien vegetation, virtually all of it deliberately introduced. The vast corn and wheat crops north of the Orange River are imports, as are the wide lawns of the suburbs, the purple jacarandas decorating Pretoria and the millions upon millions of pines planted by timber and paper companies.

The ministry is careful to say that those aliens are O.K. — they provide food and jobs. It is when they get out of control that they are a problem. But plants get out of control easily here.

Even the national parks and the vast Karoo semidesert have areas overrun by Mexican prickly pear. Miss Sheard even has it on the roof of her nature center here in Sandton. "It's a terrible, terrible plant," she said. "We had it on the grounds, so we chopped it up and threw it on the roof — and new buds shot up out of the dead pieces. Now we have to inject it with poisons."

To clear watershed areas of aliens, the Min-

istry of Water Affairs and Forestry has created South Africa's biggest public works program.

After only two years, it employs 40,000 people, all from the poorest communities, to clear trees and brush for about \$6 a day.

The best try out for the Alien Hit Squads.

There, they can earn \$14 or more — but pride is also part of the pay package.

"My guys put on their ropes and climbing gear

and walk around the townships like they're Indiana Jones," said Stephen Lamb, who runs the squads. Along with mountaineering skills, they also get lessons in running small businesses. The aim of the program is to turn them into independent contractors, able not only to clear vegetation, but also to build mountain trails, lead tourist hikes and so forth.

Not only plants are targeted.

"If you find one of these guys in a stream

here," a guide at a reptile park told his audience recently as he displayed a North American painted turtle, "you have my permission to take a rock and bash in its skull. I'm a conservationist, but I'm a conservationist of African species. This is an alien."

## Russian and U.S. Aides Quarrel About Kosovo

NATO Is Accused of Misleading the Kremlin

By Daniel Williams  
Washington Post Service

MOSCOW — Russian and U.S. military officials debated deep disagreements they have over the crisis in Kosovo on Monday as the Russians reacted testily to NATO's show of force over the Balkans.

During a visit by General Henry Shelton, chairman of the Joint Chiefs of Staff, Defense Minister Igor Sergeev of Russia complained that he was misled about NATO's intention to hold air exercises over Yugoslavia.

The exercises are designed to deter Serbian forces from launching artillery-backed attacks on Kosovo's insurgents and civilians.

Mr. Sergeev said that officials of the North Atlantic Treaty Organization had

failed to inform him about the pending exercises during meetings he attended last week in Brussels.

"We all agreed that first of all, it was necessary to resolve it with political measures," Mr. Sergeev said. "And all of a sudden, on arrival in Moscow, I learn about the start of an exercise. That was a surprise."

"I simply don't understand the course of events. Words say one thing and actions say another."

"We must consult each other and state our points of view."

At a press conference later, General Shelton dismissed Mr. Sergeev's assertion that he was not informed. The defense minister knew that an exercise was planned, but left Brussels before NATO set a date, General Shelton said.

"I do not know if he was informed of the exact time," the general remarked.

"The exercise took place very fast by NATO standards."

The Russian complaints formed the backdrop to the arrival of the Serbian leader, Slobodan Milosevic, on Monday for talks with President Boris Yeltsin. He is going to press Mr. Milosevic on Tuesday to open talks with rebel representatives from Kosovo in order to avert both NATO bombing and civil war in the insurgent region, Russian officials say.

Russia has come out repeatedly against U.S.-led jet bomber diplomacy, whether in the Gulf against Iraq or in the Balkans to stop Serbian troops from forcing civilians from their homes.

Russia insists that any such action be endorsed by the United Nations Security Council, where Russia holds a veto.

The Kremlin formally expressed opposition to military action against Serbian forces last week during a meeting of the six-member Contact Group of international mediators. Foreign minister Yevgeni Primakov then called the proposal dangerous.

Russia also recalled its representative to NATO, Lieutenant General Viktor Zavarzin. Officials declined to specify whether the recall was a protest.

Mr. Sergeev made it clear Monday that Russia rejects the basic U.S. premise for its policy. According to General Shelton, the Russians believe it is within Mr. Milosevic's rights to use whatever means necessary to "put down" the separatist movement.

The United States, on the other hand, believes that Mr. Milosevic has used excessive force in defending his police forces against armed attack and so must be deterred, General Shelton said.



Hundreds of refugees from Kosovo arriving in Albania on Monday after they fled violence in their province.

## KOSOVO: NATO Planes Send a Message in the Skies Near Serbia

Continued from Page 1

notice that 80 aircraft can get up in the air and into that area on very short notice."

The Albanian capital, Tirana, trembled with the thunder of at least 10 jets around 11 A.M. For the next half-hour, citizens there were overwhelmed by the roars.

The notion that Kosovo, a province of Serbia, should become its own country as a result of the battles between Serbs and ethnic Albanians has become a mantra among people in Albania.

But independence for Kosovo is not something that the United States or European powers have supported throughout the last decade, a time of repression by the Milosevic regime against its Albanian minority. Monday's exercise appeared to bolster hopes in the Balkan region that Kosovo separatists — united under the shadowy Kosovo Liberation Army — may eventually warrant international approval.

On Monday, Prime Minister Fatos Nano and President Rexhep Meidani hailed the fly-over but warned that NATO may need to return to save their brethren in Kosovo. Sokol Gjoka, a spokesman for the Albanian Foreign Ministry, said the exercise "shows that NATO will not stay indifferent to what happens in Kosovo."

But Monday's actions, the spokesman said, "should be followed by other operations." Those operations "should be done where the conflict is," he said.

## ■ Annan and Solana Hail Action

NATO declared Monday that its massive display of air power over Macedonia and Albania was a success, and it won a strong endorsement from the United Nations secretary-general, Kofi Annan, for the threat of force against Serbia, Reuters reported from Rome.

NATO's secretary-general, Javier Solana, said after talks with Mr. Annan that he did not know whether the hastily staged exercises would persuade Mr. Milosevic to end the crackdown on ethnic Albanians in Kosovo, and that further measures would be taken if necessary.

"We achieved what we wanted," Mr. Solana said. "We deployed the troops and air forces in a very rapid manner."

European Union leaders, meanwhile, meeting in Cardiff, Wales, condemned Belgrade's "brutal military repression" in Kosovo. They agreed to ban flights by Yugoslav airlines to EU countries, and threatened much stronger action unless Serbian forces were withdrawn.

"NATO is preparing to go further if required to halt the violence and protect the civilian populations," Mr. Solana said in a speech to the Italian Senate.

Mr. Annan, who also spoke to the Italian Senate, said he believed the threat of force coupled with diplomacy might persuade Mr. Milosevic, as it had persuaded President Saddam Hussein of Iraq earlier this year, to stop obstructing UN weapons inspectors.

"I think if we use diplomacy and force that threatens, we should be able to succeed," he said.

In his strongest language so far on the Kosovo crisis, the UN chief said that what was going on in the southern Serbian province was ethnic cleansing and that there could be no excuse for failing to halt it.

"All of you who have been following the last few months in Kosovo must begin to wonder whether another Bosnia looms on the horizon," he said.

"Already the shellings, the ethnic cleansings, the indiscriminate attacks on civilians in the name of security are taking place."

Mr. Annan said the world would have no excuse if it allowed a repetition of the Bosnian atrocities.

"All our professions of regret, all our expressions of determination to never again permit another Bosnia, all our hopes for a peaceful future for the Balkans will be cruelly mocked if we allow Kosovo to become another killing field. It is in our hands now," he said.



Richard Butler of the UN, telling Monday of progress on Iraqi arms.

## Iraq Near Compliance, UN Inspector Says

Compiled by Our Staff From Dispatches

BAGHDAD — Iraq is very close to an easing of economic sanctions imposed by the United Nations, the chief UN weapons inspector, Richard Butler, said Monday.

Mr. Butler said that an agreement reached with the Iraqi deputy prime minister, Tariq Aziz, could resolve most outstanding issues by August and, with full Iraqi cooperation, lead to verification in October that it has scrapped its weapons of mass destruction.

The fight at the end of the tunnel today is more visible than any time," Mr. Butler said at the end of his three-day talks with Iraqi officials on disarming Iraq.

Mr. Butler and Mr. Aziz, leading protagonists in a UN-Iraq crisis four months ago that teetered on the brink of military confrontation, sealed their agreement late Sunday.

Mr. Butler said the deal set out a work schedule that "seeks to bring us forward very far and very fast" to the end of the protracted disarmament verification process.

Iraq, impatient after eight years of sanctions it blames for the death of 1.5 million people, says Mr. Butler's UN Special Commission weapons inspectors have deliberately drawn out their work to prolong Iraqi suffering.

The UN Security Council will allow the lifting of the sanctions only after the Special Commission certifies that Iraq has no more weapons of mass destruction. Mr. Butler said the commission could do that in two months, provided that Iraq fully cooperates.

Sanctions were imposed after Iraq's 1990 invasion of Kuwait. These include an embargo on exports of oil, Iraq's main commodity, except in limited quantities to earn enough money to feed its people.

During his talks here, Mr. Butler presented Iraq with a list of obligations, which he said Iraq must fulfill to support its claims that it has dismantled all of the banned chemical and biological weapons and long-range missiles. But in a sign of flexibility, Mr. Butler said that his experts were willing to accept that it was impossible to verify every Iraqi claim.

In the past, the Special Commission insisted that it needed conclusive proof and rejected Iraqi arguments that it had unilaterally destroyed — without keeping any records — many weapons before the inspection process began.

"It may be that we won't ever get 100 percent verification where physical parts have been torn apart and dispersed," Mr. Butler said.

Mr. Butler, who later left for Kuwait

on his way back to New York, said he hoped that by the time he returned to Iraq in August, most outstanding issues could have been wrapped up. He would then start preparing a report for October saying that Iraq had met its disarmament obligations.

Diplomats say that if the Security Council endorsed such a report, it would trigger the lifting of an embargo on Iraqi oil exports. It would not herald the automatic end of wider trade sanctions, despite Iraq's insistence that all sanctions must go.

"There will be strings attached to lifting trade sanctions," a diplomat in Baghdad said. "It's a political issue."

The United States has suggested that sanctions should continue as long as President Saddam Hussein remains in power in Iraq.

## Guinea-Bissau Government Attacks Rebel Forces

Compiled by Our Staff From Dispatches

LISBON — Fighting resumed in Guinea-Bissau on Monday after a brief lull as government forces and their Senegalese and Guinean allies attempted to flush rebels out of their stronghold on the edge of the capital, Bissau.

But the task was proving difficult, with insurgents still controlling parts of a sprawling military garrison and access to the airport, a Portuguese Foreign Ministry spokeswoman said.

The spokeswoman, Ana Zacarias, who had been in contact with the Portuguese Embassy by satellite phone, said that there were more than 100 Portuguese nationals waiting to be evacuated from the West African state

as the revolt went into its ninth day. She said the evacuees had taken refuge in the embassy and at the Portuguese cultural center in Bissau while waiting for a Portuguese navy frigate, the Vasco da Gama, which was due off the coast later in the day.

Portugal, the former colonial power, has also sent two corvettes and a support ship to help in the evacuation of refugees, but they had still not arrived in the area.

Several thousand foreigners have already escaped the city, among them the U.S. ambassador, Peggy Blackford, and her staff, who left on Sunday after supervising the safe evacuation of all Americans wishing to leave.

Dozens of soldiers from both sides,

including the Guinea-Bissau army chief of staff, Sandji Fati, along with an unknown number of civilians, have been killed in fighting, which was triggered by the sacking of a former armed forces' chief.

Brigadier General Ansumane Mane, who is leading the insurgency, was dismissed over the alleged smuggling of arms by senior army officers to rebels in Senegal's southern Casamance Province.

In a show of defiance, rebels gave a news conference in part of the military garrison of Bra on Sunday at which they called for the immediate resignation of President Joao Bernardo Vieira and the convoking of fresh elections.

(Reuters, AP)

## Serb Suspect In War Crimes Seized at Start Of Court Talks

By Charles Trueheart  
Washington Post Service

ROME — Even before the opening gavel on Monday, diplomats at a conference to establish a permanent international war crimes court got a reminder of why they are here.

At 8 A.M., French and German units of the NATO-led peacekeeping force in Foca, southeastern Bosnia, arrested a former Serbian prison camp commander who is accused of having overseen the confinement and torture of scores of Muslims, and the execution of at least 29, in 1992 and 1993.

Milorad Kmojelac, 57, formerly a captain in the Yugoslav People's Army and a commander of the notorious Foca prison, was captured without incident on his way to work as a school principal.

He was delivered to The Hague and will face the International War Crimes Tribunal for the former Yugoslavia.

Mr. Kmojelac was the 28th suspect to be turned over to the tribunal and was among a number of indicted persons whose names the court, funded by the United Nations, keeps secret.

His arrest was notable because of the lead role of French forces and the suspect's location, in the French-controlled sector of eastern Bosnia.

A French Defense Ministry statement noted that French special forces had been involved in the operation, which unfolded without incident or casualty.

France has been criticized — by the chief prosecutor of the Hague tribunal among others — for failing to arrest war crimes suspects, as its United Nations and NATO obligations require it to do, and for at first refusing to let its officers testify at the Yugoslavia tribunal.

The French government was also bruised by the recent disclosure that one of its liaison officers in the French sector might have prevented the arrest of Radovan Karadzic, the former Serbian political leader who is the Hague tribunal's most wanted Bosnian war suspect.

The existing tribunals for Bosnia war crimes and the 1994 Rwanda genocide have served as test cases for the jurists and diplomats preparing the 150-nation conference getting under way in Rome.

The conference has a deadline of July 17 to write a treaty establishing a permanent war crimes court, technically independent of the UN Security Council, which would determine culpability and punishment for architects of future Bosnian and Rwandan.

In a description that could apply to either recent example of mass carnage, the UN secretary-general, Kofi Annan, told the conference: "When crimes are committed on such a scale, we know that the state lacks either the power or the will to stop them. Too often, indeed, they are part of a systematic state policy and the worst criminals may be found at the pinnacle of state power."

Mr. Annan lamented the passing of a "warrior code of honor" that once governed warfare and regretted that Cambodia's murderous Pol Pot had never been "brought to answer for his crimes before a court."

He told delegates that "the eyes of the victims of past crimes, and of the potential victims of future ones, are fixed upon us."

The U.S. government, which has been among the pilots of the process that led to this conference, came under immediate criticism from human rights groups participating here for trying to restrict the power of the future court.

U.S. negotiators are following instructions that try to accommodate the enthusiasm of some Washington officials for the permanent court as well as the sharp misgivings of some others about a court with any supranational authority.

The court that the United States seeks "is one that it can control, one that it and other Security Council members can turn on and off like a spigot," said Richard Dicker of Human Rights Watch.

He said that Senator Jesse Helms, Republican of North Carolina, the skeptical chairman of the Foreign Relations Committee, was seeking "veto control over any prosecution of any American citizen."

Mr. Dicker added that "the likelihood of Senate ratification of a court that is independent and impartial is negligible to nil in the near future."

Eavesdropping  
By the French  
Is Worldwide.  
Magazine Says

EU  
Main

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## EUROPE

## Eavesdropping By the French Is Worldwide, Magazine Says

By Joseph Fitchett  
International Herald Tribune

PARIS — A French magazine says that France systematically eavesdrops on phone conversations in the United States and other countries through a worldwide network of electronic facilities designed to capture satellite transmission.

Information gleaned by these listening stations is routinely distributed to more than 50 recipients, including both government agencies and French companies competing with American and other concerns for big international contracts, according to the article in *Le Point*, a respected newsweekly.

The report appears to be a major disclosure in long-running recriminations between Washington and Paris about industrial espionage. France has often charged that the United States, which routinely listens to conversations around the world through the National Security Agency, uses electronic intelligence for economic advantage.

Washington has never denied the existence of U.S. global eavesdropping, but it has vehemently insisted that commercial secrets are never handed on to U.S. companies.

Similarly, France has never acknowledged economic espionage, and this report breaks ground in citing French officials, although they are not identified, who admit not only operations against businessmen visiting France but also a systematic targeting of all communications carried by satellites. French specialists are among the world's best in developing software to sift millions of intercepts in order to find politically or commercially lucrative ones to study, the magazine said.

Other surprises include the assertion by the magazine that Germany is helping to pay for some of this French electronic spying under an accord giving Bonn access to political and commercial secrets.

The disclosure, if true, would help explain why the Clinton administration has been unsuccessful, despite considerable efforts over the last three years, in inducing Bonn to shun French military satellites and accept U.S. help to build Germany's capabilities.

French and U.S. officials, together with their German counterparts, have declined to comment on the *Le Point* article, which denounces what it calls European hypocrisy in complaining about U.S. listening practices as if France and other European countries were not doing the same thing on a smaller scale, imposed by limited finances.

The article has gained credibility through a wealth of detail that has not been challenged by officials in the week since it was published. It says that hopes of capturing satellite conversations prompted France to establish monitoring stations in French Guiana, in the Dordogne region of southwestern France and, more recently, in New Caledonia.

The article, written by Jean Guisnel, a veteran journalist who has become a specialist in the security implications of developments in electronics and telecommunications, seems to be the most extensive public account yet of the post-Cold War situation in which France seeks to match the United States in using intelligence operations in what amounts to economic war.

The article does not cite new cases of industrial espionage by France against companies in the United States of the sort that has been the staple of U.S. intelligence agencies' accusations. Instead, it describes a network of electronic listening posts that reaches across the Caribbean to capture conversations in the United States.

This could represent the beginning of more extensive European cooperation to end a situation in which the United States can listen to almost any conversation in Europe, putting allied governments at a loss. The article said that perhaps even Britain, which traditionally has enjoyed an exclusive bilateral intelligence-sharing relationship with the United States, might be tempted to join a pan-European effort to balance the U.S. program.



At EU talks, left to right, Prime Ministers Prodi of Italy and Blair of Britain, with President Chirac of France.

## EU Leaders Urge Reforms by Tokyo

Blair Calls Japanese Slide World's Greatest Economic Peril in 2 Decades

By Tom Buerkle  
International Herald Tribune

CARDIFF, Wales — The European Union urged Japan on Monday to press ahead with tax cuts and to speed up the reform of its banking system to prevent a further deterioration of Asia's economic slump.

Prime Minister Tony Blair of Britain said that the economic decline in the Far East posed the greatest risk to the global economy in two decades.

Concern about Asia permeated the opening session of the EU's semiannual summit meeting here as the yen tumbled anew on currency markets and stock prices were in retreat around the world.

But EU leaders expressed guarded confidence in the ability of their economies to weather the crisis. They stressed that Europe's recovery is based increasingly on demand from domestic consumers and investment, and said Asia's woes should help keep inflation and interest rates low.

Mr. Blair portrayed Europe and the United States as "twin pillars of economic stability" because both were pursuing "sound policies based on price stability and sound finance," according to his spokesman.

He also credited the single European currency, whose launch has dictated European economic policies, as a force that "will help generate stability and growth."

The level of European concern about Asia was evident as EU finance ministers, who met separately here, took the unusual step of issuing their own declaration.

It called on Japan to speed up the carrying out of a 16 trillion yen package of tax cuts and public spending announced in April, and renewed urgings that Tokyo undertake reforms to help the country's banking system cope with mountains of bad debts.

"Further structural reform and the implementation of measures to strengthen the financial system are necessary to restore business and consumer confidence," the ministers said in a statement.

As in the United States, officials in Europe are concerned that Japan's deterioration will undermine recent signs of stability in other hard-hit Asian economies like South Korea, Malaysia and Thailand.

They also fear that a further slide in the yen could prompt China to devalue the yuan to maintain its competitiveness, something that could trigger a fresh wave of devaluations across the region.

"The decline of the yen, if it continues, is clearly going to put pressure on China's currency," Sir Leon Brittan, the EU trade commissioner, said in Brussels on Monday. "This could have far-reaching consequences for the region and the world economy."

Sir Leon said the crisis would increase trade tensions by pumping cheaper Asian goods into Europe and the United States while reducing Asian demand for Western exports.

In addition to economic issues, EU

leaders held a wide-ranging discussion of the Union's political institutions, prompted by an unusual convergence of views among Britain, France and Germany that EU bodies like the European Commission were too remote from citizens and suffered from a lack of public legitimacy.

Mr. Blair welcomed an initiative by President Jacques Chirac of France and Chancellor Helmut Kohl of Germany last week calling for a reinforcement of

the role of national and local governments on EU policies.

Mr. Blair said the EU should be more active in areas like combating crime and protecting the environment, but he said it should do so in flexible ways rather than "going into every nook and cranny of national life."

There were no immediate conclusions, but leaders agreed to hold a special summit meeting in October in Vienna on the issue.

## Moscow Takes Strong-Arm Approach to Tax Evasion

By Daniel Williams  
Washington Post Service

MOSCOW — The tax collectors wore masks and carried submachine guns. They poured into the offices of Elena Klovko, a gas-station owner, to inspect her records — with a vengeance.

The collectors herded Mrs. Klovko and a half-dozen employees into a room, forbade them from making phone calls and, in their search, scattered Mrs. Klovko's papers and knickknacks around the once tidy office. Policemen who arrived were inadvertently barred from the building by guards who manned all the gates and doors.

The raid — which created a scandal in Moscow, a city not unused to scenes of official abuse — highlighted the desperation of the government's campaign to collect taxes, even if it means scaring them up with strong-arm tactics.

Even Mrs. Klovko, while in shock from the raid, expressed a measure of understanding. "I comprehend the government's desperation," she said. "It is true that many people evade taxes. I'm not one of them."

Chronic failure of tax collection is a weak link in Russia's economy and political system. It is seen as a symbol of President Boris Yeltsin's inability to rule effectively. The dearth of tax receipts has been blamed for the recent economic crisis as the government has had to borrow money at high rates to cover deficit spending.

Russia's recent problems have helped further a worldwide erosion of faith in emerging markets. From Indonesia to Brazil, these countries have experienced periodic crises that set back their development and scare off capital. Russia exhibits many of the typical weaknesses: inefficient government, chaotic law enforcement, corruption.

In the wake of a recent run on the ruble, Mr. Yeltsin's government vowed to crack down on scofflaws. The new chief tax collector, Boris Fyodorov, has promised to haul in 1,000 of the country's wealthiest and best-known citizens to inspect their consumption habits. The goal is to see if lavish spending on luxuries suggests undeclared income.

"If the most famous people in the country observe the law, it will help spread the culture of paying taxes in Russia," Mr. Fyodorov told the *Kommersant* Daily, adding that he would like to see some led away in handcuffs.

He has also ordered 20 large corporations to pay back taxes amounting to \$800 million. He said, however, that he believed the main problem lay with individuals, not companies. Only 4 million of an estimated 60 million taxpayers filed income-tax declarations last year.

To encourage compliance, Mr. Fyodorov is lobbying for a reduction in individual tax rates to 20 percent from 35 percent. Still, with many individuals hiding their incomes, collection will prove difficult. Igor Birman, an economist, said that Russians generally underestimated their income by half or more. Some estimates put uncollected taxes at \$100 billion.

## A Partner of Kohl's To Vow Allegiance

BONN — Leaders of the Free Democratic Party, the junior partner in Chancellor Helmut Kohl's governing coalition, said Monday that the party would not leave the coalition before national elections in September or ally with its Social Democrat rivals.

The party chairman, Wolfgang Gerhardt, proposed that a declaration of intent to stand by Mr. Kohl's Christian Democrats be put to vote at a party congress in Leipzig later this month.

The state associations and most of the party members at the local level are in favor of renewing our coalition with the Christian Democrats," Mr. Gerhardt said.

The Free Democrats' parliamentary leader supported Mr. Gerhardt's call for a vote. (Reuters)

## Train-Auto Collision Kills 2 in Germany

BONN — Two people were killed and one was seriously injured in a train accident in Germany on Monday, two weeks after the country's worst rail disaster since World War II.

A train struck a car at an unprotected crossing in the Rhineland town of Bad Muenstereifel, the police said. The accident will put more pressure on the beleaguered German railroad to demonstrate the safety of its network.

Police in Bad Muenstereifel, 25 kilometers southwest of Bonn, said that two women in the car were killed and a man in the car injured.

They said the train was a standard regional locomotive, not a high-speed intercity express of the type that derailed and crashed into a bridge in the northern town of Eschede on June 3, killing 100 people and injuring scores. (Reuters)

## Former ETA Leader Is Seized at Border

BILBAO, Spain — Police arrested six suspected members of the Basque separatist group ETA on Monday and detained a former top guerrilla after he was expelled from France.

The Basque region Interior Ministry said the six suspects had been detained in Vizcaya, one of Spain's three Basque provinces. The authorities said they had seized a former ETA leader, Jose Luis Ansoa, at the border. He had served a prison term in France. (Reuters)

## Northern League Slips in Italy Vote

ROME — The autonomy-minded Northern League suffered a blow in local elections in its heartland, the wealthy northeast.

Final results showed that Umberto Bossi's party took 17 percent of the vote Sunday, down 9 percentage points from the last regional elections in 1993, when it emerged as the No. 1 party in the Friuli Venezia Giulia region.

Silvio Berlusconi's Forza Italia, which did not exist in 1993, overtook the League, winning 21 percent of the vote. A coalition of former Christian Democrats had 11 percent, and the Democratic Left 15 percent. (AP)

## EXHIBITION CENTRE PARIS-NORD Villepinte THE PARISIAN MONUMENT WORLD-CLASS BUSINESSMEN VISIT FIRST.



### EXHIBITIONS IN THE SECOND HALF OF 1998

<b>MAISON &amp; OBJET</b> The International Home Decoration, Giftware and Tableware Exhibition	4 - 8 SEPTEMBER 98
<b>MIDEC - International Shoe Fashion - Paris</b>	6 - 8 SEPTEMBER 98
<b>NEW QUOJEM</b> Hardware - Tools - Industrial Supplies - Decoration - Home Automation	20 - 23 SEPTEMBER 98
<b>INDIGO</b> International Exhibition of Creation and Design for Fashion and Decoration	1 - 4 OCTOBER 98
<b>MOD'AMONT - Fashion Supplies and Trimming Trade Fair</b>	1 - 4 OCTOBER 98
<b>PREMIERE VISION - LE SALON - The World's Premier Fabric Show®</b>	1 - 4 OCTOBER 98
<b>SIAL - International Food Products Exhibition</b>	18 - 22 OCTOBER 98
<b>EXPOPROTECTION - International Safety and Security Exhibition</b>	3 - 6 NOVEMBER 98
<b>FEU 98 - International Fire Fighting and Rescue Exhibition</b>	3 - 6 NOVEMBER 98
<b>EMBALLAGE - World Packaging Exhibition</b>	16 - 20 NOVEMBER 98
<b>INTERSELECTION - The International Exhibition for Volume Retail Fashion</b>	17 - 20 NOVEMBER 98
<b>NOUVEAU REGARD - The Exhibition for Fabric Quick Response</b>	18 - 20 NOVEMBER 98
<b>MIDEST - The International Subcontracting Exhibition</b>	30 NOVEMBER - 4 DECEMBER 98
<b>OUTIL'EXPO - European Exhibition of Tools and Production Technology</b>	30 NOVEMBER - 4 DECEMBER 98
<b>ELEC - Electricity - Automation - International Exhibition</b>	7 - 11 DECEMBER 98



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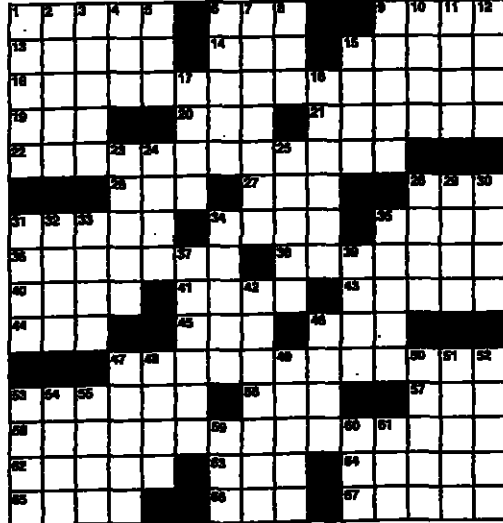
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21 Appropriately  
22 Oscar-winning actor in 47-Across  
23 Hope is here: Abba  
24 Autome preceder  
25 "Indubitably" film  
26 Oscar d'Orléans  
27 "Your Erroneous Zones" author  
28 U.S. e.g.  
29 Kind of wagon

30 Section of Queens, N.Y.  
31 Yard tool  
32 Like out of hell  
33 Church crisis  
34 Wks. and wks.  
35 Baby blossom  
36 "We — the World"  
37 Oscar-winning film  
38 Inflationary path  
39 Inlet  
40 Lyric poem  
41 See 16-Across  
42 Seal fur trader  
43 Boeing 737, e.g.  
44 Window parts  
45 Pioneer's heading  
46 Hit show sign  
47 Confuse

48 Biography  
49 On the main  
50 München master  
51 Link  
52 18 of yam  
53 Frisco gridlers  
54 Arm of a knight-in-arms  
55 Snack that's bitten or licked  
56 Comedist  
57 Time long past  
58 Laprechaurs' land  
59 Get-well spots  
60 Out of which  
61 Limerick maker



**DOWN**  
1 "Red" king  
2 Auditory proposition  
3 Name on many planes  
4 Steamed "Claret"  
5 What clermats plants do  
6 Slippery one  
7 Rome's Apple of Venus  
8 Like some B'way performances

39 Skater Lipinski  
40 Embellisher  
41 Many miles away  
42 Rainbow  
43 — monde (society)  
44 "Same here"  
45 Keep after  
46 Epitaph for failure  
47 Dodger Hall-of-Famer

52 "Pygmalion" writer  
53 Soccer superstar  
54 Boardwalk refreshments  
55 Spinners' spinners?  
56 Pollution stds. setter  
57 Tattoos, currently

**Solution to Puzzle of June 15**

ACROSS  
1 CARPENTER'S GADGET  
3 A THOUSAND  
12 SPINNING  
13 EXPRESS  
14 CHINA'S ZHOU EN  
15 CAPITAL NW OF TWIN FALLS  
16 WITH 50-A, A CLASSIC LINE  
17 47-A, ASSOCIATED WITH  
18 ETHEL WATERS' "BLUE"

DOWN  
1 RED KING  
2 AUDITORY PROPOSITION  
3 NAME ON MANY PLANES  
4 STEAMED "CLARET"  
5 WHAT CLERMATS PLANTS DO  
6 SLIPPERY ONE  
7 ROME'S APPLE OF VENUS  
8 LIKE SOME B'WAY PERFORMANCES



# Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

## Japan Can Do More

Japan is officially in recession, and its government continues to dawdle about responding. The risk is that Japan's problems may cause further damage to its already weak Asian neighbors.

The first priority for Japanese officials must be to save the country's sick banking system, which is still burdened by bad loans left over from the bubble economy of the late 1980s. In February the government announced a large and badly needed bank bailout plan, but almost nothing has been done to institute it. The government needs to close weak institutions while enabling the stronger ones to put their bad loans behind them. The scandal at the Ministry of Finance, which some had hoped would make reform easier, instead seems to have produced paralysis.

The banks, belatedly awake to how bad their situation is, have created a huge credit crunch by cutting back on loans to avert further losses. Worried consumers are reluctant to spend, making things worse. Money is flowing out of the country as savers seek safe haven in foreign banks and foreign bonds. So despite a big trade surplus the yen is

tumbling, down 21 percent against the dollar in the past 12 months.

Japan's current economic woes reflect the limits of national monetary policy in moving an economy, particularly in this age of global financial flows. Japan's central bank has pushed interest rates about as low as they can possibly go. Short-term rates are under 1 percent, and the yield on 10-year Japanese government bonds has fallen to 1.3 percent. It is hard to imagine how credit could be cheaper.

But the banks are afraid to make loans, and much of the borrowing has been by foreigners, who have used the cheap funds to speculate in foreign securities markets. Japan's low rates have stimulated rising stock and bond prices in the United States but have done nothing for its own economy.

The Japanese government has put together a fiscal stimulus package, which should help. But more needs to be done to allow Japan to play the needed role of locomotive for the rest of Asia. Right now, Japan is acting as just one more brake on an already stalled regional economy.

—THE NEW YORK TIMES.

## Stilted Intelligence

A kind of bonus has come out of India's nuclear tests: a brief but probing look at American intelligence. From the moment of the explosions, it was evident that, while information about India's testing capabilities was plentiful, information and understanding about its intentions were short. The tests in May were from that short-term viewpoint an embarrassingly complete surprise. At once the CIA launched a 10-day study to see what had gone wrong. The answer now back from the inquiry's chief, retired Admiral David Jeremiah, is: a great deal.

His tale of intelligence woe proceeds on two levels. One focuses on flaws of management — on a failure to set up a system ensuring the comprehensive, timely and adequately supervised collection and analysis of urgent intelligence. In the Indian case, lower-level analysts made decisions on communications intelligence coverage without due consultation with senior officials. As part of the CIA's response, its director named two agency veterans as collection and analysis aides.

The deeper flaw unearthed by Ad-

miral Jeremiah, however, lies off any organizational chart. He found a mind-set in the upper reaches of intelligence officialdom: a belief that India's new governing party would not risk the consequences of honoring a campaign promise to test, because the party would act as Americans might act, avoiding confrontation. Whether what he says of Americans is true is one thing. But to make the assumption without an awareness that it was just an assumption, was a prescription for error.

Since the Cold War ended — even before — the CIA and associated agencies have been hit by one revelation after another of the intelligence community's breakdowns. This time the loss may have been modest, if you figure that, regardless of whether they were caught in the act, the Indians were going to test. But the potential gain, in terms of reform of intelligence practices and perceptions, could be considerable. Admiral Jeremiah also set a good example in conducting a quick but penetrating inquiry that goes to the heart of a vital intelligence matter.

—THE WASHINGTON POST.

## Let's Worry About It

What is the proper degree of panic with which to contemplate the approach of the Millennium Bug, which may (or may not) crash all or some of America's crucial computer systems when the date turns from 1999 to 2000? Nobody knows — not the average citizen, wondering whether it's safe to fly on Jan. 1; not companies and government regulatory agencies; and not, apparently, the keepers of the federal bully pulpit. These last ought to consider the possibility that a little more panic now would be a lot safer than misplaced calm.

One alarm-sounder is Representative Stephen Horn, Republican of California, of the House subcommittee on government management, information and technology, who recently released the latest of a series of "report cards" on the progress of 24 government departments toward what is known in the jargon as "Y2K compliance." The grades are mostly bad. Mr. Horn gives the government overall an "F," and says that while some departments are in good shape, at least six — Transportation, Energy, Health and Human Services, State, the Environmental Protection Agency and the Agency for International Development — are nowhere near ready, while Defense, Justice, Agriculture and Education are far enough behind to rate a "D."

That grading scheme assumes that departments should be finished fixing their software by at least March 1999, leaving plenty of time for both in-house testing of systems (accomplished by shutting down operations, moving computers' clocks forward to 2000 and seeing if the systems start) and, just as important, tests of data exchange between different computers.

That assessment differs sharply from that of John Koskinen, the administration's "Y2K czar." He says the Federal Aviation Administration is on track to be ready, and that most of

the other departments will be, too, although there are weak spots. Fears of a drastic shortage of technicians able to fix the code, he says, have not materialized. If managers take the problem seriously, there are people to do the work. (Some departments have reported problems finding them.)

The government has, of course, an interest in preventing all-out panic — a run on banks for cash, or on gas stations for gas — that would cause more havoc than the bug itself. But the balance between sparking a panic and letting people be lulled into a false sense of security is hard to strike. Maybe nothing will happen on Jan. 1, 2000, and maybe there will be an apocalypse, but it isn't safe in this instance to assume that the truth lies somewhere in between.

—THE WASHINGTON POST.

## Other Comment

### Indian Nuclear Cheating

Most of the military plutonium stocks that India dipped into for its recent nuclear tests came from a research project provided years ago by the United States and Canada. India had promised that it would not use this plutonium for bombs.

If Washington and Ottawa were now to keep India to its promise, and verify this, India would lose more than half the weapons-grade plutonium for its nuclear bombs and missiles. The United States and Canada should make this an essential condition for the lifting of economic sanctions.

The plutonium in question is the approximately 600 pounds — enough for about 50 bombs — produced in India's CIRUS research reactor since it began operating in 1960.

—Victor Gilinsky and Paul Leventhal, commenting in the Washington Post.

## Without Justice, No Security for Ordinary People

By Lloyd Axworthy

OTTAWA — The international community has learned some hard lessons from atrocities in recent years in the former Yugoslavia and in Rwanda. We have learned lessons in terms of heeding warning signs, and lessons in terms of swift and appropriate international response. And as we work on the long process of building a lasting peace in such societies, we are learning lessons about justice.

Those who commit the most heinous crimes in times of conflict must be held accountable for their actions. Without justice, there is no reconciliation. Without reconciliation, there is no lasting peace. Without lasting peace, there can be no security for ordinary people to live out their lives and dreams.

In Yugoslavia and Rwanda, the United Nations responded to serious violations of humanitarian law by establishing international tribunals, with the Canadian jurist Louise Arbour as chief prosecutor. The international tribunals, despite limited resources, are effectively bringing war criminals to justice.

But these tribunals are set up by the Security Council on an ad hoc basis. Canada is one of a growing number of

nations which believe that a permanent solution, in the form of an International Criminal Court, is required.

A permanent, impartial, international venue is needed to try those who flout the norms of humanitarian law and would otherwise escape justice.

The idea for an International Criminal Court is not a new one, but it is an idea whose time has come. The international political landscape has changed dramatically in recent years. War itself has changed, with most wars being internal conflicts that overwhelm target civilians. Borders have become more porous, for people and for problems such as international crime, illicit drugs, pollution and disease.

Increasingly, there is a need for international rules that focus on the security of individuals as opposed to traditional thinking about security of the state. An International Criminal Court is a key part of this new focus.

The United Nations is currently holding a conference in Rome on the establishment of an International

Criminal Court. Within the array of nations taking part in this debate, Canada chairs a group of 45 like-minded states which share its commitment to an independent and effective Court with four basic attributes.

First, an International Criminal Court ought to have acknowledged jurisdiction over such core crimes as genocide, crimes against humanity and war crimes, including war crimes committed in internal armed conflicts.

Second, it ought to have a constructive relationship with the UN Security Council that preserves the independence and impartiality of the Court.

Third, it ought to have an independent prosecutor who is able to initiate proceedings, rather than proceedings being triggered only by a state complaint or Security Council referral.

Fourth, it ought to have a special focus on the plight of women and children in armed conflict — for example, recognizing rape and the conscription of child soldiers as war crimes.

There are some nations which question the effect that the Court would have on state sovereignty. An International Criminal Court would complement na-

tional judicial systems. It would investigate complaints when a state either cannot or will not bring transgressors to justice. The prime focus will be exactly where it is most needed: where state authorities have collapsed or where state authorities themselves are behind extremely serious crimes.

There is now a distinct momentum building in favor of a strong court. With lessons learned from the successful campaign for a treaty banning land mines, we are engaging not only political leaders but also nongovernmental organizations, media and citizens around the world. There is broad and growing support for a strong Court, a consensus that perpetrators of war crimes and crimes against humanity must know that somewhere, sometime, justice will catch up with them.

Many of us take for granted the judicial systems that allow us to live in peace and freedom. As citizens of the global community, we must help our neighbors to enjoy the same rights.

The writer is Canada's foreign minister. He contributed this comment to the International Herald Tribune.

## Europe Has the Capital to Create Jobs, if It Chooses To

By Silvio Scaglia

MILAN — Question: Who should be the 16th member of the European Union? The Czech Republic (population 10.3 million)? No. Hungary (10.2 million)? No.

Answer: The 17.9 million unemployed throughout the EU's 15 member nations.

Whatever the versatile economic statistics or fizzes of renewed growth may show, it is this raw figure that stares Europeans in the face as they

meet this week in Cardiff and ponder yet again the sheer human waste of massive, persistent unemployment in much of Western Europe.

In their search for a common "social policy," the old reflex of most of the Continent's economies is to turn to the state for a solution — mandatory reductions in working hours or other centrally planned and state-sub-

sidized measures that are at best unlikely to make much of a difference over time.

If an entrepreneur may venture a suggestion, it would be this: Look at capital.

Not yesterday's capital, that scarce, expensive commodity our countries craved so as to rebuild after World War II. Rather, today's post-war capital, which is abundant and

cheaper than ever, and cries out for opportunities to create jobs.

For example, Tommaso Padoa-Schioppa, the Italian member of the executive board of the new European Central Bank, has said that privatizations and other efforts to reduce Italy's deficit, and therefore its debt-servicing burden, are expected to free up some \$230 billion in the coming five years.

Where will this, and similar new capital resources elsewhere in Europe, go? Chances are that these enormous resources will go into purely financial or speculative uses, rather than be channeled to set up and develop sizable new enterprises and therefore new jobs.

Unless, that is, many of us in Italy and elsewhere in Europe manage to do two things: • Create a truly transparent marketplace, in which the market becomes what it was always meant to be — a meeting point for all, not just for a few dynasties or entrenched hard cores of stakeholders, to compete on a level playing field under clearer and often stricter rules.

A report prepared for the European Commission by David Wright and presented in Cardiff is a refreshing attempt to foster an environment which favors the creation of innovative enterprises.

This comment has been adapted from a longer article in Newsweek.

## Scrap the IMF, and Then Be Sorry

By Thomas L. Friedman

PROMINENT former officials and economists have called for abolishing the IMF. The U.S. Congress is holding back its next deposit to the Fund, \$18 billion, because a Republican congressman, Chris Smith, will not allow the U.S. contribution to be made unless the Clinton administration drops support for any worldwide family planning program that includes abortions. Since all these smart people seem to think the world doesn't need the IMF, I say junk the place. Here is what the world would look like a year later.

WASHINGTON, June 15, 1999 — On the first anniversary of the closing of the IMF, the Russian ruble hit a new low today of 50,000 to the dollar. Russia's president, the former army general Alexander Lebed, who ousted Boris Yeltsin in a coup after the Russian economy collapsed six months ago, announced a new export program for getting Russia's economy back on its feet.

"From today forward," said President Lebed, "any Russian company capable of exporting any device, technology, weapons system or natural resource — including highly enriched uranium — is encouraged to do so to anyone who can pay hard currency. The U.S. Congress says it will sanction us for selling nuclear technology to Iran or India. Hah! What more can they do? Since they closed the IMF, 35 percent of Russia is unemployed. The Russian army has not been paid in six months!"

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William Simon, along with the former Citibank chief Walter Wriston, to lobby Congress for an emergency \$10 billion aid package for Seoul. Unlike IMF bailouts, where the burden is shared by many countries, this Korean bailout will have to be a direct loan from the United States, with America bearing all the risks and costs alone.

That loan was jeopardized yesterday, though, when the U.S. Embassy in Seoul was ransacked, along with the Coke and Pepsi bottling plants, by an angry mob. The mob was outraged by the conditions that the U.S. Congress wanted to impose in exchange for U.S. help: an end to all birth control in South Korea and the right for any U.S. company to buy 100 percent of any Korean company.

"Too bad we don't have the IMF around to impose these conditions, so everyone could blame it instead of us," mused House Speaker Newt Gingrich, in a rare moment of candor.

Elsewhere in Asia, human rights activists were appalled as Thailand, Malaysia and Indonesia all declared martial law so their governments could close down newspapers and stop ri-

oting against businesses owned by ethnic Chinese. China's navy warned that if the anti-Chinese rioting continued, China's navy would "not stand idle."

Meanwhile, Prime Minister Mahathir bin Mohamad of Malaysia denounced the IMF's closure as yet another conspiracy to weaken Southeast Asia.

America's trade deficit hit an all-time high of \$400 billion, as cheap exports from all over Asia's battered economies flooded the United States. The Dow fell again today, to 6,660, as the dollar hit 300 yen.

The latest New York Times/CBS Poll showed two nativist protectionists, Patrick Buchanan and Ross Perot, running neck and neck in the year 2000 presidential race, after Al Gore and George W. Bush dropped out because of lack of support.

So the United States called for an emergency meeting of the leading industrial nations to try to establish some sort of international monetary fund to deal with the crisis. America offered to hold the meeting in a quiet estate in New Hampshire called Bretton Woods, but the other world powers, showing contempt for weak U.S. leadership, insisted on Shanghai.

The New York Times.

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

### 1898: Anarchist Trial

PARIS — The anarchist Etienne, who in January last seriously wounded two policemen by stabbing one with a huge Catalan knife and shooting the other with a revolver, was yesterday (June 15) sentenced to death. The proceedings were noteworthy for the accused's important attitude. After refusing to answer questions put to him, he tried to enter into a discussion on the subject of the necessity of laws. After being sentenced the accused was taken from the court crying "Vive l'anarchie!"

### 1923: 'Dry' Brouhaha

WASHINGTON — The twelve-mile dry compromise suggested by the Administration, whereby America would have the right of search and seizure up to that limit as a concession for allowing foreign vessels to enter American ports with sealed liquor stores, has

sirred much rancor all through the East. The dry leaders fear the results of such a compromise and are outspoken in condemning it. The envoys of foreign Powers here believe that all advantages would be for the United States and therefore will not approve of such a compromise.

### 1948: Sino-Soviet Pact

NANKING — Premier Wen-hao said today (June 15) that China "paid a great price" for friendship with Russia, and called upon the Soviet Union to live up to her treaty obligations. The Premier asserted that the Sino-Soviet treaty was a good one but needed "proper implementation" by Russia. He said Russia could withdraw her troops from Manchuria and give support only to the central government of China. His last reference implied strongly that Russia is supporting the Chinese Communists in the civil war.

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John Lewis: A  
DO YOU LIVE IN THE UK?



## OPINION/LETTERS

## John Lewis: America's Next Great Black Leader

By Mary McGrory

WASHINGTON — The publication of Representative John Lewis's autobiography, "Walking With the Wind," is a literary event. This is the definitive account of the U.S. civil rights movement, written in the first person by one of its leaders.

It is also a political event. Mr. Lewis, a Democrat from Georgia, is universally regarded as a home run of a human being — brave, honest, humble.

Now with the help of a skilful collaborator, Michael D'Orso, he has produced a compelling history that promises to become a sensation and make him America's most prominent black leader, the long-awaited successor to Martin Luther King Jr.

Vice President Al Gore gave a publication-day party at his mansion for Mr. Lewis. They have known each other since they were both young and in Nashville, Tennessee, where Mr. Lewis was giving the city fathers fits with student sit-ins. Mr. Lewis called Mr. Gore "brother," music to his host's ears.

With Mr. Lewis's arm around him, Mr. Gore can corner the black vote. None of his possible rivals could compete. Mr. Lewis could also make Jesse Jackson's threat of yet another nuisance presidential challenge sound more than a little funny.

"Walking With the Wind" reminds all interested parties

of just who was at the barricades in Montgomery, Birmingham and Selma. He fingers the peacocks and the posers. He even faults his idol, King, for joining demonstrations late or ducking out early.

Mr. Lewis, one of 10 children of an Alabama sharecropper, was born with a voracious appetite for justice and education. When the rest of the family went off to the fields to pick cotton, he would hide under the porch and wait for the bus he took to the wretched one-room school that Pike County provided for black children.

He struggled to get into college, American Baptist

Theological School, where he fell upon the ideas of non-violence and joined the young lions from other colleges who felt that they were owed the right to be treated like American citizens — and, for openers, to be allowed to eat at public lunch counters.

On Feb. 12, 1960, they began the sit-ins that changed the South. The ensuing years brought Mr. Lewis an unremitting diet of violence and hatred from uniformed fellow Americans.

He was slammed around without mercy by sheriffs, herded into paddy wagons with electric prods, flung onto jailhouse floors, shoved, kicked and beaten. His skull was pounded by club-wielding state troopers and finally fractured in Selma, where unarmed demonstrators, including children, were set upon by their local police.

Mr. Lewis recounts all of this in meticulous detail, so vividly that you read it as if you had never heard it before. He even tells you the kind of tear gas that Sheriff Jim Clark chose for the assault at Selma. In an interview the other day in his office, Mr. Lewis said he had just about total recall of the events.

"I can remember what people said and when things happened — a beating in Montgomery, the reporters who risked their lives to witness."

The initial reaction to his book has been emotional. At the Atlanta Historical Center he was greeted by a crowd of 400. Among them was a white woman who, with tears

streaming down her cheeks, called out: "Thank God you're still alive. We lost Martin Luther King and Bobby Kennedy, but we have you."

It is impossible to read this inspirational and hideous story of courage and cruelty without being moved. Blacks will read it with rage and pride. The civil rights movement was rife with idealism and good strategy. Mr. Lewis and James Bevel and Diane Nash and his other comrades were schooled in Christian doctrine and the Gandhian philosophy of nonviolence. They showed major self-discipline.

In the early, almost idyllic days of the sit-ins, the members of the Student Non-violent Coordinating Committee (of which Mr. Lewis eventually became chairman) created a political movement that was a model of political activism. Everything was seen to: dress code, food, transportation, attitude. They walked in silence, they had one spokesman, they hung in. They won.

If there is one thing this splendid, pulsing book is saying, it is that anything is possible if you insist. John Lewis was not supposed to be in Congress. He was supposed to lose to Julian Bond, who was taller, higher skilled and nationally famous. But Mr. Lewis is finishing his 12th year in the House, and he is a figure of consequence. Now that he has told his glorious, harrowing story he will be even more so.

The Washington Post.

## The Abrasion of Dissimilar Ideas, Or Thoreau's Special Synthesis

By Verlyn Klinkenborg

NEW YORK — Somehow a visit to Walden Pond doesn't really resolve the image of Henry Thoreau. What it does instead is clarify the contradictions, the disparities from which that image is shaped.

The light rising from the surface of the pond on a June afternoon reflects indiscriminately on the objects around it. The same was true of Thoreau's mind, no matter

## MEANWHILE

how ill-assorted the objects he wrote about might have been. What harmony there is in Thoreau's thinking, I believe, came from the collision and eventual abrasion of dissimilar ideas, the struggle, as he might have put it, between the acorn and the chestnut obeying their own laws.

Thoreau's best work is the result of two very different but complementary perspectives. One came about when he refused to pay his poll tax and was jailed in Concord for a night. Of the village and its institutions on that evening, he wrote that he was "fairly inside of it."

The other perspective was, of course, the one he took when he chose to live fairly outside of Concord, in a small, hand-built house on a rise above Walden Pond.

Both stances, for that is what they were, were honored recently in a clearing on Pine Hill, just southeast of the pond, by a crowd that included President Bill Clinton and Hillary Rodham Clinton. The occasion was the dedication of the Thoreau Institute and the permanent conservation of 96 acres of the Walden Woods, both brought about by Don Henley, the lead vocalist of the Eagles rock group.

The president and the first lady had come to Walden at Mr. Henley's invitation. So, too, had the professors who introduced Mr.

Henley to Thoreau's writings, and so had Mohandas Gandhi's great-granddaughter and the rest of the Eagles.

And so, most improbably of all, had Tony Bennett, who jogged out of the Walden Woods and onto the stage as if it were the Copacabana. He sang one unaccompanied verse of "America" and then trotted back into the arms of the waiting foliage. It was, naturally, an afternoon of disparities, which the bright sun did nothing to dispel.

When the president stepped up to the lectern and leaned his arms across the top, I could not help thinking of what Thoreau noticed during his night in jail — not the striking of the town clock or "the evening sounds of the village," but the fact that he had never "seen its institutions before."

I had never seen the institution of the presidency in person before, but the man on the stage stood deep within it, and he commented upon the distortion it created, remembering a time when he and his wife could walk in the woods without the experience seeming more real to observers than it did to the two of them.

It was a basic trope of Thoreau's mind to search for a point of view slightly higher than the one you could gain from the top of Pine Hill. He could not say what you might see from the very highest vantage point, but perhaps his own was high enough. "It is not many moments," he wrote, "that I live under a government, even in this world."

I tried to imagine what Thoreau might have said about the tribute being paid to him from so deep within a primary institution of a government he barely acknowledged, but there were too many answers, all of them true and all contradictory.

The New York Times.



## LETTERS TO THE EDITOR

## Don't Kowtow

Regarding "China Has Made an Effort and Now Wants Its Reward" (Opinion, June 10) by David Shambaugh:

While Mr. Shambaugh's list of good deeds by China is accurate, what he leaves unsaid may be more significant. Also, to make his suggested concessions to China would be to invite consequences harmful to U.S. national interests.

China still has 1,100 forced labor camps with an estimated population of 6 million to 8 million, including many political dissidents and religious believers. Repression of Tibetans and Muslims continues unabated.

This larger picture should not be forgotten when the Chinese government releases a few prominent dissidents for political effect. China's willingness to sign the United Nations Covenant on Political and Civil Rights is a hollow gesture when China denies the right of self-determination to the 22 million people of Taiwan. China claims it has a right to take Taiwan by force, even though Taiwan's people prefer to keep their democracy.

Regarding international security, China joined the Nuclear Nonproliferation Treaty only after it had completed several nuclear tests in 1995 and 1996. China sold missile and nuclear weapons technology to Pakistan, thus precipitating the nuclear tests by India and Pakistan.

To join the World Trade Organization, China needs to drastically reduce tariffs and open its markets. It has to make basic structural changes in its economy to meet WTO standards. In 1997, the United States had a \$50 billion trade deficit with China. The Clinton administration is correct in insisting that China can join the WTO only on "commercially viable" terms.

The 1982 communiqué on arms sales to Taiwan is contrary to the 1979 Taiwan Relations Act, which promises to Taiwan sales of weapons and services sufficient for its defense. Unlike a communiqué, this act is legally binding on the U.S. government. To balance China's growing arsenal, the United States should consider selling Taiwan modern submarines and advanced targeting and missile systems. A military imbalance will tempt China to attack Taiwan.

U.S. policy toward Taiwan must involve prudence and strategic planning. If Taiwan were to succumb to a Chinese assault while America stood by, the credibility of the U.S.-Japan Security Treaty would be destroyed. Japan's self-defense force could then go nuclear, soon to be followed by the two Koreas.

The United States must learn to identify and assert its national interests, just as China does. Kowtowing will inevitably lead to conflict and insecurity in the whole of East Asia.

JAY T. LOO, Lansdale, Pennsylvania.

## Working Late

Regarding "French Workaholics Beware: The Law Is Moving In" (June 12):

Corporate executives in France often stay beyond traditional office hours not because they are workaholics but because they take lengthy lunches, which combine business with pleasure. They also often choose to stay late to avoid the horrific traffic jams in and around Paris.

In addition, visiting colleagues and clients expect to be entertained in the evenings. It is not feasible for French executives to return home to freshen up beforehand.

Also, don't forget that as the global economy becomes a reality, executives need to remain in touch with the United States in the evenings, and records and files are not easily taken home.

PETER M. LUTTERBECK, Lugano, Switzerland.

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*In the Asian Crisis*

Jakarta Troop- Fire i

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1. The first step is to identify the problem or question that needs to be answered. This involves understanding the context and the specific requirements of the task.

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1. The first step in the process is to identify the problem or issue that needs to be addressed. This involves gathering information and understanding the context of the problem.

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the 1990s, the number of people in the world who are illiterate has increased from 1.2 billion to 1.5 billion. The number of illiterate people in the world is projected to reach 1.7 billion by the year 2015. The number of illiterate people in the world is projected to reach 1.7 billion by the year 2015. The number of illiterate people in the world is projected to reach 1.7 billion by the year 2015.



## ASIA/PACIFIC

## In the Asian Crisis, Even a Sweatshop Job Beats No Job at All

By Nicholas D. Kristof  
New York Times Service

**JAKARTA** — Just as pressure is growing in the West against the use of sweatshops in developing countries, the Asian financial crisis is spawning such desperation that more people than ever seem willing to take grim or dangerous jobs in these factories.

While economic misery and differing labor standards have long made sweatshops more prevalent in the Third World than in the West, the trend had been toward improved working conditions. But now scholars and labor organizers say that in Asia the trend has sharply reversed, with the financial crisis forcing many workers to compete for jobs that a year ago they would have scorned.

A result is that increasing numbers of desperate workers are lining up to take precisely the kinds of jobs that are being roundly condemned in the West. In the slums in Indonesia and in Thailand, many workers even speak of sweatshop jobs — long hours at low wages in unhealthy conditions — as their greatest aspiration.

Here in the Indonesian capital, Mrs. Triatnoo stood barefoot recently in the vast garbage dump where she makes a living scavenging through the rubbish and described her dreams for her 3-year-old son: She wants him to grow up to work in a sweatshop.

For Mrs. Triatnoo, an uneducated woman who cheerfully gave her age as "20 or 30," the sweatshops in the area around the garbage dump look so exalted now — in the aftermath of the financial crisis — that she worries that a



"These are tough times," says Mrs. Hanifa, left, who runs a dress factory in Indonesia that pays 35 cents a day.

job in one for her son might be too high an aspiration. "He's not going to get an education," said Mrs. Triatnoo, "so I don't know whether he can ever get a job like that."

The campaign against sweatshops has gained momentum in the West in the last few years. Last month, for example, Nike Inc. bowed to pressure and said it agreed to far-reaching changes in the

labor practices at the factories that churn out its shoes. Nike said it would raise the minimum age for new workers to 16, admit outsiders to inspect the factories and improve air filtration to meet U.S. factory standards.

But market forces in Asia are pushing in precisely the opposite direction. In recent years, the rising prosperity of such countries as Indonesia and Thai-

land encouraged workers to demand better conditions and more safety, while businesses were doing well enough that they could afford to improve conditions as a way of attracting laborers.

Now companies are trying to reduce costs to survive, and surging unemployment means employees have lost their leverage.

"As a result of the Asian economic

crisis, there are lots more people working in sweatshop conditions," said Lee H. Soen, an economics professor at Seoul National University in South Korea. "We can get over this problem only if Asia recovers from the crisis."

Mr. Lee said governments could help by promoting free education to reduce child labor and work to combat income disparities. But the only way to eliminate dangerous conditions and child labor, he emphasized, is to generate economic growth.

There is no agreed-upon definition of a sweatshop, and so there is no way of calculating how many people work in such places. But scholars and social workers say that the financial crisis that began nearly a year ago in Thailand has clearly extended the longevity of factories that might have emerged from the pages of Dickens.

Mongkol Latlakorn, 36, a laborer doing odd jobs in northeast Thailand, said he worried about his youngest child, Darin. She is working in a tiny sweatshop in Bangkok, making clothing.

"It's dangerous work," Mr. Mongkol said. "There's lots of machinery, and sometimes it catches her hands. Twice the needles in the machines went right through her hands. But the managers bandaged up her hands, and both times she got better again and went back to work."

Mr. Mongkol said that Darin, who is 15, works nine hours a day, six days a week, and earns the equivalent of \$2 a day. That is a considerable sum in the slums, where a meal of street food can be had for about 25 cents, and it is more than he earns from his odd jobs. So he worries not so much about the possibility that Darin might get hurt as about the risk that she might lose the job.

"There's all this talk about factories closing now, and she said there are rumors that her factory might close," Mr. Mongkol said. "I hope that doesn't happen. I don't know what she would do then."

Some economists say the campaigns in the West against sweatshops do have an impact on those workers lucky enough to be making branded American merchandise. But for a great majority of Asia's labor force the dominant reality is not the success of the campaigns against sweatshops but the scarcity of jobs. Unemployment in the nine countries most affected by the Asian crisis is expected to reach 21 million this year, including 10 million in Indonesia alone.

"On issues such as safety standards and health standards, the governments may wink at violations now," said a longtime Western analyst in Thailand. "It's better to have an unsafe job than no job at all."

BRIEFLY  
Ex-U.S. Embassy  
In Saigon Is Razed

**HANOI** — The building that came to symbolize the futility of the U.S. war effort in Vietnam, the former U.S. Embassy in Ho Chi Minh City, is being demolished, U.S. officials said Monday.

A consular official, Melissa Foynne, said the demolition started last Thursday and would take several weeks to complete. The United States is seeking a contractor to build a new consular office on the site of the old chancery, a job expected to take 12 to 18 months, she said.

The last U.S. personnel to leave what was then called Saigon were airlifted by helicopter from the roof of the eight-story building shortly before North Vietnamese troops took over the city on April 30, 1975, completing the Communist takeover of Vietnam. (AP)

Thai Monks Told  
To Halt Building

**BANGKOK** — The Thai government told senior monks Monday to halt construction of new buildings at Buddhist temples nationwide so their congregations would be less burdened by donations during the current economic crisis.

The unusual order, conveyed at a meeting at a religious center in a Bangkok suburb, was a telling indication of the depths of the crisis as well as the influence the Buddhist church holds over worshippers. About 90 percent of Thailand's 60 million people are Buddhists. (AP)

Swiss Deny Appeal  
On Marcos Funds

**LAUSANNE, Switzerland** — Switzerland's Supreme Court on Monday rejected a final appeal aimed at halting the transfer from Swiss banks of assets belonging to former President Ferdinand Marcos of the Philippines.

The decision by the Federal Tribunal clears the way for the transfer to Manila of about \$270 million still frozen in Switzerland, pending the appeal by several foundations in Liechtenstein and Panama that were set up by Mr. Marcos to control the assets. (AP)

## Jakarta Troops Fire in Air to Halt Protest

Reuters

**JAKARTA** — Indonesian troops fired in the air to disperse protesters in Central Java on Monday after they stoned shops, residents said. They said the protest began as a peaceful demonstration to demand that the local mayor resign.

Defying an appeal last week by General Wiranto, Indonesia's military chief, for people to stop demanding resignations of government officials, protesters have taken to the streets with similar demands throughout the nation's most populous island of Java.

"The protesters want the mayor of Tegal and the regent of Tegal to resign," a shopkeeper in the town of Adiwirama in the Tegal regency said by telephone in what has become a familiar refrain in the country.

"In the past the protests have been done by university students, but today I think they were just common criminals out for a bit of looting," the shopkeeper, describing Monday's most violent incident, said.

She said that troops stationed nearby had detained about a dozen people.

In the capital, Jakarta, the almost daily small protests against alleged U.S. interference in Indonesia's domestic affairs continued.

Other small protests in the capital included a rally by eastern Indonesian residents demanding the removal from office of the East Nusa Tenggara governor, a rally against the leadership of the ruling Golkar party and a Christian demonstration at Parliament.

## ■ Suharto-Era Official Fired

President B.J. Habibie on Monday dismissed his attorney-general, who had been in charge of investigating alleged corruption during former President Suharto's 32 years in power. The Associated Press reported from Jakarta.

A government statement said that President Habibie had replaced Soedjono Amonegoro, a longtime Suharto appointee, with Major General Andi Mohammad Galib, who was the head of the military's law office.

No reason was given for the change. Mr. Soedjono's departure comes amid growing demands that Mr. Suharto be directly investigated for corruption.



Attorney General Soedjono Amonegoro was replaced by the head of the military's law office.

## BOOKS

THE SPICE ISLANDS VOYAGE  
The Quest for Alfred Wallace,  
the Man Who Shared Darwin's  
Discovery of Evolution

By Tim Severin. Illustrated. 267 pages.  
\$25. Carroll & Graf.

Reviewed by Richard Bernstein

SEVERAL threads are woven together in "The Spice Islands Voyage," Tim Severin's account of a seafaring expedition in the Indonesian Archipelago. Severin, an Irish adventurer and travel writer whose previous books include "Tracking Marco Polo" and "In Search of Genghis Khan," had a traditional Moluccan square-rigger sailboat built in order to duplicate the 19th-century itinerary of the pioneering British naturalist Alfred Wallace.

Severin and his crew then spent several months in the Spice Islands visiting the harbors, the nature reserves and the rain forests that Wallace visited, taking pictures, recording sightings of butterflies and birds, checking out the environmental record and interviewing local officials.

Most important, Severin uses this Thor Heyerdahl-like trip to resurrect the memory of Wallace himself, a man, the author says, who produced the breakthrough insights that Charles Darwin used in formulating evolutionary theory. And so "The Spice Islands Voyage" is a kind of travelogue-biography, a balanced combination of historical re-enactment and contemporary adventure, written in straightforward descriptive, unself-dramatizing fashion. Severin's book is illustrated both by photographs and by a set of evocative ink drawings by Leonard Sheil that add considerably to the exotic mood.

Severin begins with Wallace himself, a fascinating, self-effacing genius whose life could easily sustain a volume or two by itself. Indeed, Wallace has been the subject of at least two biographies, both acknowledged as sources by Severin, and his relationship with Darwin has been chronicled elsewhere as well.

"This shy, gentle man was so decent," Severin writes of Wallace in his opening chapter. "He wandered through the islands of southeast Asia with good humor and incredible fortitude; he did no harm, and he left no bad taste."

In 1858, Wallace, while laid up with malaria in the middle of his long Moluccan sojourn, wrote a brief essay in which he summarized the concept of the survival of the fittest, which he correctly saw as "the long-sought-for law of nature that solved the problem of the origin of species."

The essay made its way to Charles Darwin, who had been searching for the solution to that problem for two decades. When Darwin finally published "On the Origin of Species" a couple of years later, he gave credit to Wallace, who nonetheless faded, unprotesting, into relative obscurity.

Wallace had already been on one major expedition before his Indonesian journey, a voyage to Brazil, which ended badly when most of the bird and

insect samples he was carrying were lost in a fire on the ship taking him back to England. But his eight years in the Spice Islands, one of the world's major hotbeds of bio-diversity, rank among the major expeditions of scientific discovery. Severin, in tracing Wallace's itinerary, deftly brings to life both Wallace and his achievement.

He begins by having a boat of a type known locally as a prahu kalulis (which he named after Wallace) built by local craftsmen on a small island called Warbal in the Kei Archipelago. He sailed it for a thousand miles through the Seram Sea, stopping at Wallace's ports of call from the Aru Islands in the east to Sulawesi in the west.

He spends a good deal of time on several islands trying to sight birds of paradise, one of the rarest, most beautiful and most endangered species on the planet.

One subplot in Severin's journey is the detailed description he provides of the operation of the illegal trade in exotic birds, including birds of paradise. He sees them being captured. He visits the warehouses of the merchants who ship them illegally to collectors in Jakarta, Singapore and beyond.

Severin is well aware that Wallace, operating at a different time, shot birds of paradise and many other species so he could sell them and thereby finance his expedition. Severin also notes that the danger of extinction is far greater now than it was then. But his awareness of the persistence of a relationship between the world of nature and economic need is one of the things that give his historical re-enactment its depth and interest.

New York Times Service

## CHESS

By Robert Byrne

**VISWANATHAN ANAND** was originally picked by Garry Kasparov to contest a match with Vladimir Kramnik to determine who would challenge him for the world championship. But Anand declined to take part because he had given his word to the International Chess Federation not to play in a rival match. Kasparov was not put off; he named Alexei Shirov to take Anand's place.

Anand was not retiring from the game. He has gone on winning tournaments as though nothing else mattered. His most recent victory came in the Madrid International Tournament.

Anand disposed of a dangerous opponent in the first round in Madrid by sharp, uncompromising play against Michael Adams of England. Anand showed once again that he cannot be intimidated by counterattacks.

Nimzovich's 4...Ba6 against the classical Queen's Indian Defense aims to wring some concessions out of the opponent by attacking the c4 pawn. Thus, 5 Nbd2 puts this knight on a less ambitious square than Ne3, while 5 Qa4 often leads to a waste of time bringing

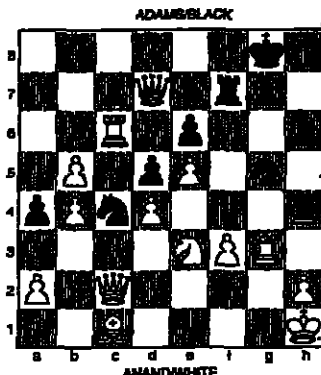
the queen back later. Currently the popular opinion is that 5 b3 is the most efficient way to do the job, even though it weakens the e1-a5 diagonal.

Black is not squandering time when he plays 7...a5, because the pawn can later be useful hindering a white queen-side advance with b4 and b5. The positional pawn sacrifice with 14...b5 is based on immobilizing the white queen-side pawns and giving Black a grip on the central light squares. Besides, Black thinks that in the long run he might well recover his material, too. After 22 f3, Adams might have tried to get his pawn back by 22...Na8; the situation would not be clear after 23 e4 Ne7. Instead, he aimed for kingside counterattack with 22...f4 23 g4 Rf4.

Anand's 34 Ng4! was an ingenious way to resolve the tactical complexities of the position. If 34...Nf3, then 35 Nf5! Rf6 36 e4 Nf2 37 Kg2 Ng4 38 Qg6 will win for him. Also, in this line, 36...Nd4 37 Qf2 Nf5 38 Rg7 Ng7 39 Qh4 is lost for Adams.

So, Adams tried 34...Rf3, but after 35 Bg5! Rg3 36 Nf6! g7 37 Bb4, he had no fight left.

The last desperate 37...Rg4 38 Bf6 Ne3 was crushed by Anand's 39 Rc7! If 39...Nc2 40 Rd7 Nd4 41 b6 Nf3, then 42 Rg7! Rg7 43 Bg7 Nd4 44 b5! forces the promotion of the b6 pawn. Adams gave up.

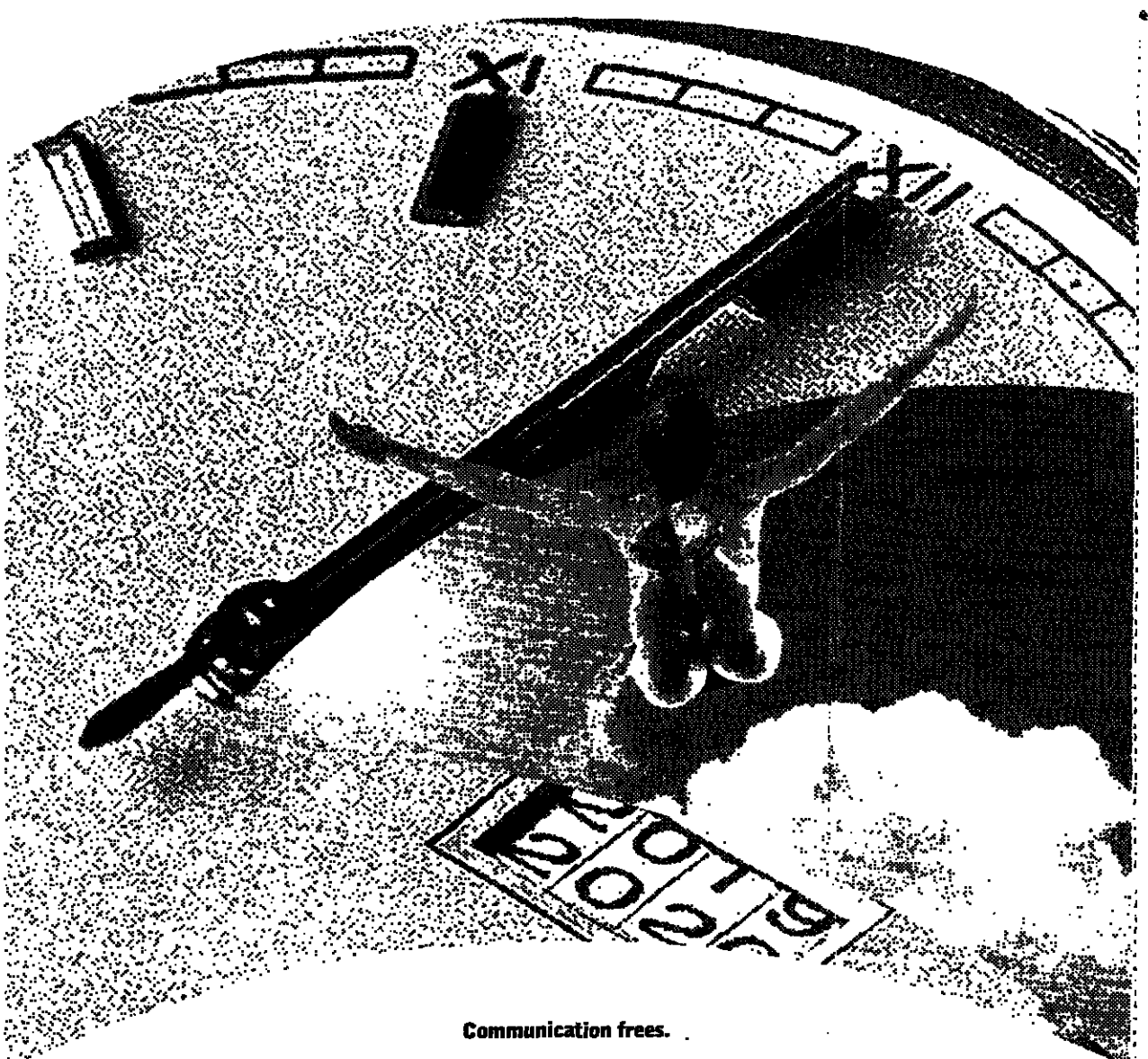


Position after 33...Ng5

## QUEEN'S INDIAN DEFENSE

White	Black	White	Black
Anand	Adams	Anand	Adams
1 d4	Nf6	20 Rael	Qd7
2 Nf3	e6	21 e3	Rb8
3 c4	b6	22 f3	f4
4 g3	Ba6	23 g4	Rf4
5 b3	Bb7	24 e4	Nf6
6 Bg2	Bb4	25 Kf1	Rf6
7 Bd2	a5	26 Rg1	Nf5
8 0-0	0-0	27 Rc6	Rf4
9 Qc2	d6	28 Bc1	Nf4
10 Bg5	a4	29 Qd1	d5
11 Ne3	Bc3	30 Nf1	d5
12 Qc3	Nbd7	31 e5	Nc4
13 Bf1	h6	32 Na3	Nb3
14 Bc1	b5	33 Rg3	Ng5
15 cb	Nb6	34 Ng4	Rc2
16 Bb3	Rc8	35 Bg5	Rg3
17 Nd2	Bg2	36 Nf6	g7
18 Kg2	Nf5	37 Bb4	Rg4
19 Qd3	f5	38 Bf6	Ne3
		39 Rc7	Resigns

## CROSS OVER TO A NEW ERA



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## CHINA: Recollecting Wartime Ties With U.S.

Continued from Page 1

worrisome trend of anti-Chinese sentiment within the United States.

China has also emphasized the alliance against Japan because it is concerned about Washington's recent efforts to strengthen its defense relationship with Tokyo.

Improving U.S. ties has also become important to President Jiang Zemin. With the return of Hong Kong accomplished by his predecessor, Deng Xiaoping, and the recovery of Taiwan an impossibility at present, Mr. Jiang has focused on making stronger ties with the United States his political legacy, Chinese analysts say.

Indeed, Mr. Jiang's first stop on his whistle-stop tour of the United States last October for a summit meeting with President Clinton was the U.S. battleship Arizona, where he laid a wreath for the seamen killed in Japan's raid on Pearl Harbor. Throughout his trip, he emphasized — to the point of exaggeration — the similarities in American and Chinese history, from their battles with colonial powers to their advances in science and technology.

Until the 1980s and in fits and starts in the 1990s, the United States was portrayed in China as an imperialist power, seeking global domination. The United States started and lost the Korean War, in the Chinese version. It started and lost the Vietnam War.

Its success in the Gulf War was due to President Saddam Hussein's failures. It was still a paper tiger. But in the middle 1990s two organizations appear to have led the charge in changing the way American power is viewed in China: the People's Liberation Army and the United Front Department of the Chinese Communist Party.

In recent years, the army has launched a full-scale re-evaluation of China's foreign policy history since the Communists took power in 1949 and banished the Nationalist government to Taiwan. An army-backed publishing house has suggested the Korean War actually was started by North Korea, heretofore a heresy in Communist China. The United Front Department is in charge of co-opting friendly or neutral powers in China's march to world power status.

Chinese newspapers these days are

sprinkled with news of U.S. airplane fragments being found in mountains and lakes in southwestern China. American and Chinese soldiers have dug — sometimes successfully — on mountains and in ravines for the bones of long-dead Americans over the past few years.

Chinese historians have written extensively of the American help given to China during World War II. One recent TV program reported that Zhang Aiping, one of the last surviving marshals from China's Communist revolution, saved five American pilots inside his guerrilla base in the 1940s.

One person who looks with some humor at China's renewed interest in history has been Colonel Disoway, the American who was shot down over Xinjiang. Now 88, the lanky former pilot retired from the air force in 1968 as a four-star general, having served as the commander of U.S. Air Forces in Europe and as head of the Tactical Air Command. Chinese officials found him earlier this year, and in February a state-run newspaper printed a letter he wrote thanking his former allies.

"If I had been captured they would have shot me," Colonel Disoway said in a recent interview at his home in Shreveport, Louisiana. "The Chinese put themselves at great risk hiding me. If I had been captured, they would have shot me, too."

Back in Xinjiang, Mr. Wang has fond



General Disoway greeting Prime Minister Yen Chia-kan of the Republic of China at a U.S. base in 1967. In 1945, the general was rescued by Chinese peasants.

memories of the American pilot. He hints that his father was punished after the Communist revolution for helping the American pilot and for owning land. But those days, he said with a sad smile, are past.

"My father told me and my brother to study Disoway," Mr. Wang recalled. "We did that. He was a good model. A courageous fighter. A man not afraid to die, to die even for China."

## Russian Cash Plight May Undo Plans to Junk Mir

The Associated Press

MOSCOW — Hours after announcing that the Mir space station would start a descent this week in preparation for being destroyed in Earth re-entry, Russian space officials said Monday they lacked the money to complete such a maneuver.

The Itar-Tass press agency initially quoted Viktor Blagov, deputy head of Mission Control Center, as saying that a cargo ship attached to Mir would fire its engines Thursday to lower the station's orbit by about six kilometers (four miles).

Several hours later Itar-Tass quoted Mr. Blagov as saying the cargo ship must

remain linked to Mir for longer than expected because the space agency cannot afford a replacement cargo ship.

That would use up all the present cargo ship's fuel, leaving none for the descent engine firing. Even without such a maneuver, Mir will most likely lower its orbit to the same degree early next month, Mr. Blagov said. But the cargo ship engine firing could provide more control over the descent.

Several cargo ships, docked to Mir one at a time, are supposed to push the space station down from 400 kilometers above Earth to 120 kilometers, before it burns up in the atmosphere in December 1999. A

few large fragments are likely to fall into the ocean.

Yuri Semyonov, head of the state-run RKK Energiya corporation that built Mir, had said earlier that Russia might be forced to discard the station as early as this fall because of the cash shortage.

Mr. Semyonov said last week that the government owes Energiya 440 million rubles (\$70 million) from last year and has not paid any bills so far this year.

According to Mr. Blagov, Russia would need four cargo ships to lower Mir's orbit gradually and a fifth one, with a large amount of fuel, to give the station a final push out of orbit.

## BRIEFLY

## Israel Sets Conditions For New Withdrawal

JERUSALEM — Israel will not agree to withdraw from more of the occupied West Bank until it knows precisely how much land it will have to hand over to the Palestinians before the start of final peace talks, a high Israeli official said Monday.

David Bar-Ilan said Israel could not go through with a U.S.-proposed pull-back, whose extent it has already rejected, until it also had an agreement on the terms of the subsequent West Bank pullback.

This would precede negotiations on a final settlement. (Reuters)

## Muslim Insurgents Murder 8 in Algeria

ALGIERS — Muslim rebels cut the throats of eight people overnight, the latest deaths in Algeria's unremitting plague of armed violence, government security forces said Monday.

The massacre brought to at least 180 the number of people, including militiamen and further civilians, killed around the country in the last nine days, according to security forces and newspaper reports. (Reuters)

## Palestine Legislators Yield on Arafat Vote

RAMALLAH, West Bank — Palestinian lawmakers accepted on Monday President Yasser Arafat's request to delay a no-confidence motion and give him 10 days to form a new cabinet.

The 88-member Palestinian Legislative Council demanded Mr. Arafat reform his administration to end alleged corruption and misrule or face a possible first no-confidence motion since elections two years ago. (Reuters)

## Mexico to Investigate Deaths in Army Raid

SAN CRISTOBAL DE LAS CASAS, Mexico — A federal human rights official has promised to investigate a police-and-army raid on pro-rebel villages that resulted in nine deaths.

At a news conference, Adolfo Hernandez Figueroa said the National Human Rights Commission had opened an investigation and he urged no retaliation for a peasant protest.

He urged that rough treatment he had received at the hands of grieving peasants in Union Progress not be used as an excuse for more police action.

More than 1,000 angry Indians surrounded the team from the Rights Commission, which had come to deliver the bodies of eight people killed in military and police raids on two villages and a small town. (AP)

## GOLDMAN: Securities Firm Is Giving Up Its Partnership Structure to Sell Shares to Public

Continued from Page 1

do we do acquisitions without having to pay for it in cash," said David Menlow, president of IPO Financial Network, a company in Springfield, New Jersey, that estimates prices for upcoming initial public offerings of stock.

As a partnership, Goldman must pay cash or borrow money to buy other companies, Mr. Menlow said. With its own stock, it could swap shares for other concerns. "This is about having a corporate-finance currency to work with," he said, adding that if the partners were only interested in turning their stakes into cash the firm would be selling more than 15 percent of its equity.

A related issue is that when partners retire, they can only pull their investments

out of the company gradually, according to Professor Bruce Greenwald of the Columbia University Graduate School of Business. "The truth is, this is a long time coming," he said. "It is not an accident that they are the only holdout." A regular corporate structure would free up the company's capital, he said.

Also limiting the company's growth is the way the partnership must be managed, according to A. Michael Lipper, president of Lipper Analytical Services, which analyzes money managers and brokerage firms. "Remember," he said, "that a partner, any partner, can sign for the partnership and therefore make each of the other 189 partners liable, and this is a leveraged business."

Yet, while the liability issue created a reluctance to expand the number of part-

ners, Mr. Lipper said, 190 was insufficient to control a company with 11,000 employees spread over 20 countries. He said 600 would be a more appropriate number, but that size of a partnership would leave the firm open to the risk of oversight failure. Such a failure to police a securities trader led to the demise of the British investment bank Barings ING.

A corporate structure "may also be important for compensation," Mr. Lipper said. Although the lure of a Goldman partnership might now entice "the best of the best" to work there, there are relatively few positions available to dole out as rewards for up-and-coming executives.

Under a corporate structure, many employees can receive stock options and directly hold stakes in the company, Mr. Lipper noted.

Rumors that Goldman would end its 129-year-old partnership had been circulating for months. Since the 1970s, all of the other major Wall Street brokerage houses have abandoned the partnership structure.

Goldman is not expected to move heavily into retail operations as a result of going public.

"A retail branch network has certain benefits, but potential disadvantages," said Les Muranyi, senior analyst at Moody's Investors Service. "The trend is toward electronic trading, bypassing the value added by account executives," he said, adding that brokerage fees have been falling and could continue to erode.

A more likely expansion route for Goldman would be to acquire an asset management company, Mr. Muranyi said.

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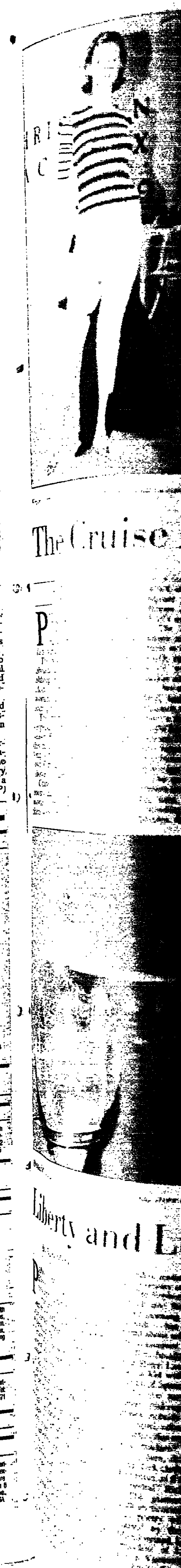
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*From left, Lacroix's striped, burned-out sweater and cropped pants; Chanel's shirt-jacket, long skirt and sandals; Tomas Maier's drawstring-side swimsuit, and Rvkiel's viscose wrap-dress and pants.*

**By Suzy Menkes**  
*International Herald Tribune*

Chanel's collection was so relaxed and roomy that it seemed far from the chic world of couture and its logo-land. Sure there were some of those famous initials

The question is whether Chanel customers are ready to drop the big Cs for the big ease. Worn by tall skinny models (including Jodie Kidd) with weird tufted hairdos, the clothes had an otherworldly

Since the body-hugging sweater is a hot item, Sonia Rykiel is in her element. The

After a generation of poolside stripease, from topless swimsuits, through high-cut maillots and minimal bikinis, Maier's take seems revolutionary. Using lightweight polyamide and elastin

Since Bergdorf Goodman and Neiman Marcus in the United States and Harvey Nichols in London have already placed orders, Maier's new look may steer swimsuits into fresh waters for the new century.



*Daniel Richard, president of Sephora: "This store is about liberty and permissiveness—people can spend an hour here without buying anything. We are about luxury that is accessible."*

**By Suzy Menkes**  
*International Herald Tribune*

"This store is about liberty and permissiveness — people can spend an hour here without buying anything — that's not a problem," Richard said. "We are about luxury that is accessible."

The glamorous help-yourself store, with its licorice-black interior, red carpet and poetry written on the pillars, was started by the Frenchman Dominique Mandonnaud. Last year, Bernard Arnault, president of LVMH (Moët Hennessy-Louis Vuitton), made him an offer he couldn't refuse, and Sephora is now in a period of fast and vast expansion. There

"A man knows nothing about cosmetics and he is ashamed of his ignorance," said Richard. "Here he feels free. And whereas the traditional perfumers treat you like a handicapped person, this makes the clients feel more intelligent."

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1/95	12.00	11.00	1000	100	11.00	11.00	12.00	11.00
2/95	12.50	11.50	1000	100	11.50	11.50	12.50	11.50
3/95	13.00	12.00	1000	100	12.00	12.00	13.00	12.00
4/95	13.50	12.50	1000	100	12.50	12.50	13.50	12.50
5/95	14.00	13.00	1000	100	13.00	13.00	14.00	13.00
6/95	14.50	13.50	1000	100	13.50	13.50	14.50	13.50
7/95	15.00	14.00	1000	100	14.00	14.00	15.00	14.00
8/95	15.50	14.50	1000	100	14.50	14.50	15.50	14.50
9/95	16.00	15.00	1000	100	15.00	15.00	16.00	15.00
10/95	16.50	15.50	1000	100	15.50	15.50	16.50	15.50
11/95	17.00	16.00	1000	100	16.00	16.00	17.00	16.00
12/95	17.50	16.50	1000	100	16.50	16.50	17.50	16.50
1/96	18.00	17.00	1000	100	17.00	17.00	18.00	17.00
2/96	18.50	17.50	1000	100	17.50	17.50	18.50	17.50
3/96	19.00	18.00	1000	100	18.00	18.00	19.00	18.00
4/96	19.50	18.50	1000	100	18.50	18.50	19.50	18.50
5/96	20.00	19.00	1000	100	19.00	19.00	20.00	19.00
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7/96	21.00	20.00	1000	100	20.00	20.00	21.00	20.00
8/96	21.50	20.50	1000	100	20.50	20.50	21.50	20.50
9/96	22.00	21.00	1000	100	21.00	21.00	22.00	21.00
10/96	22.50	21.50	1000	100	21.50	21.50	22.50	21.50
11/96	23.00	22.00	1000	100	22.00	22.00	23.00	22.00
12/96	23.50	22.50	1000	100	22.50	22.50	23.50	22.50
1/97	24.00	23.00	1000	100	23.00	23.00	24.00	23.00
2/97	24.50	23.50	1000	100	23.50	23.50	24.50	23.50
3/97	25.00	24.00	1000	100	24.00	24.00	25.00	24.00
4/97	25.50	24.50	1000	100	24.50	24.50	25.50	24.50
5/97	26.00	25.00	1000	100	25.00	25.00	26.00	25.00
6/97	26.50	25.50	1000	100	25.50	25.50	26.50	25.50
7/97	27.00	26.00	1000	100	26.00	26.00	27.00	26.00
8/97	27.50	26.50	1000	100	26.50	26.50	27.50	26.50
9/97	28.00	27.00	1000	100	27.00	27.00	28.00	27.00
10/97	28.50	27.50	1000	100	27.50	27.50	28.50	27.50
11/97	29.00	28.00	1000	100	28.00	28.00	29.00	28.00
12/97	29.50	28.50	1000	100	28.50	28.50	29.50	28.50
1/98	30.00	29.00	1000	100	29.00	29.00	30.00	29.00
2/98	30.50	29.50	1000	100	29.50	29.50	30.50	29.50
3/98	31.00	30.00	1000	100	30.00	30.00	31.00	30.00
4/98	31.50	30.50	1000	100	30.50	30.50	31.50	30.50
5/98	32.00	31.00	1000	100	31.00	31.00	32.00	31.00
6/98	32.50	31.50	1000	100	31.50	31.50	32.50	31.50
7/98	33.00	32.00	1000	100	32.00	32.00	33.00	32.00
8/98	33.50	32.50	1000	100	32.50	32.50	33.50	32.50
9/98	34.00	33.00	1000	100	33.00	33.00	34.00	33.00
10/98	34.50	33.50	1000	100	33.50	33.50	34.50	33.50
11/98	35.00	34.00	1000	100	34.00	34.00	35.00	34.00
12/98	35.50	34.50	1000	100	34.50	34.50	35.50	34.50
1/99	36.00	35.00	1000	100	35.00	35.00	36.00	35.00
2/99	36.50	35.50	1000	100	35.50	35.50	36.50	35.50
3/99	37.00	36.00	1000	100	36.00	36.00	37.00	36.00
4/99	37.50	36.50	1000	100	36.50	36.50	37.50	36.50
5/99	38.00	37.00	1000	100	37.00	37.00	38.00	37.00
6/99	38.50	37.50	1000	100	37.50	37.50	38.50	37.50
7/99	39.00	38.00	1000	100	38.00	38.00	39.00	38.00
8/99	39.50	38.50	1000	100	38.50	38.50	39.50	38.50
9/99	40.00	39.00	1000	100	39.00	39.00	40.00	39.00
10/99	40.50	39.50	1000	100	39.50	39.50	40.50	39.50
11/99	41.00	40.00	1000	100	40.00	40.00	41.00	40.00
12/99	41.50	40.50	1000	100	40.50	40.50	41.50	40.50
1/00	42.00	41.00	1000	100	41.00	41.00	42.00	41.00
2/00	42.50	41.50	1000	100	41.50	41.50	42.50	41.50
3/00	43.00	42.00	1000	100	42.00	42.00	43.00	42.00
4/00	43.50	42.50	1000	100	42.50	42.50	43.50	42.50
5/00	44.00	43.00	1000	100	43.00	43.00	44.00	43.00
6/00	44.50	43.50	1000	100	43.50	43.50	44.50	43.50
7/00	45.00	44.00	1000	100	44.00	44.00	45.00	44.00
8/00	45.50	44.50	1000	100	44.50	44.50	45.50	44.50
9/00	46.00	45.00	1000	100	45.00	45.00	46.00	45.00
10/00	46.50	45.50	1000	100	45.50	45.50	46.50	45.50
11/00	47.00	46.00	1000	100	46.00	46.00	47.00	46.00
12/00	47.50	46.50	1000	100	46.50	46.50	47.50	46.50
1/01	48.00	47.00	1000	100	47.00	47.00	48.00	47.00
2/01	48.50	47.50	1000	100	47.50	47.50	48.50	47.50
3/01	49.00	48.00	1000	100	48.00	48.00	49.00	48.00
4/01	49.50	48.50	1000	100	48.50	48.50	49.50	48.50
5/01	50.00	49.00	1000	100	49.00	49.00	50.00	49.00
6/01	50.50	49.50	1000	100	49.50	49.50	50.50	49.50
7/01	51.00	50.00	1000	100	50.00	50.00	51.00	50.00
8/01	51.50	50.50	1000	100	50.50	50.50	51.50	50.50
9/01	52.00	51.00	1000	100	51.00	51.00	52.00	51.00
10/01	52.50	51.50	1000	100	51.50	51.50	52.50	51.50
11/01	53.00	52.00	1000	100	52.00	52.00	53.00	52.00
12/01	53.50	52.50	1000	100	52.50	52.50	53.50	52.50
1/02	54.00	53.00	1000	100	53.00	53.00	54.00	53.00
2/02	54.50	53.50	1000	100	53.50	53.50	54.50	53.50
3/02	55.00	54.00	1000	100	54.00	54.00	55.00	54.00
4/02	55.50	54.50	1000	100	54.50	54.50	55.50	54.50
5/02	56.00	55.00	1000	100	55.00	55.00	56.00	55.00
6/02	56.50	55.50	1000	100	55.50	55.50	56.50	55.50
7/02	57.00	56.00	1000	100	56.00	56.00	57.00	56.00
8/02	57.50	56.50	1000	100	56.50	56.50	57.50	56.50
9/02	58.00	57.00	1000	100	57.00	57.00	58.00	57.00
10/02	58.50	57.50	1000	100	57.50	57.50	58.50	57.50
11/02	59.00	58.00	1000	100	58.00	58.00	59.00	58.00
12/02	59.50	58.50	1000	100	58.50	58.50	59.50	58.50
1/03	60.00	59.00	1000	100	59.00	59.00	60.00	59.00
2/03	60.50	59.50	1000	100	59.50	59.50	60.50	59.50
3/03	61.00	60.00	1000	100	60.00	60.00	61.00	60.00
4/03	61.50	60.50	1000	100	60.50	60.50	61.50	60.50
5/03	62.00	61.00	1000	100	61.00	61.00	62.00	61.00
6/03	62.50	61.50	1000	100	61.50	61.50	62.50	61.50
7/03	63.00	62.00	1000	100	62.00	62.00	63.00	62.00
8/03	63.50	62.50	1000	100	62.50	62.50	63.50	62.50
9/03	64.00	63.00	1000	100	63.00	63.00	64.00	63.00
10/03	64.50	63.50	1000	100	63.50	63.50	64.50	63.50
11/03	65.00	64.00	1000	100	64.00	64.00	65.00	64.00
12/03	65.50	64.50	1000	100	64.50	64.50	65.50	64.50
1/04	66.00	65.00	1000	100	65.00	65.00	66.00	65.00
2/04	66.50	65.50	1000	100	65.50	65.50	66.50	65.50
3/04	67.00	66.00	1000	100	66.00	66.00	67.00	66.00
4/04	67.50	66.50	1000	100	66.50	66.50	67.50	66.50
5/04	68.00	67.00	1000	100	67.00	67.00	68.00	67.00
6/04	68.50	67.50	1000	100	67.50	67.50	68.50	67.50
7/04	69.00	68.00	1000	100	68.00	68.00	69.00	68.00
8/04	69.50	68.50	1000	100	68.50	68.50	69.50	68.50
9/04	70.00	69.00	1000	100	69.00	69.00	70.00	69.00
10/04	70.50	69.50	1000	100	69.50	69.50	70.50	69.50
11/04	71.00	70.00	1000	100	70.00	70.00	71.00	70.00
12/04	71.50	70.50	1000	100	70.50	70.50	71.50	70.50
1/05	72.00	71.00	1000	100	71.00	71.00	72.00	71.00
2/05	72.50	71.50	1000	100	71.50	71.50	72.50	71.50
3/05	73.00	72.00	1000	100	72.00	72.00	73.00	72.00
4/05	73.50	72.50	1000	100	72.50	72.50	73.50	72.50
5/05	74.00	73.00	1000	100	73.00	73.00	74.00	73.00
6/05	74.50	73.50	1000	100	73.50	73.50	74.50	73.50
7/05	75.00	74.00	1000	100	74.00	74.00	75.00	74.00
8/05	75.50	74.50	1000	100	74.50	74.50	75.50	74.50
9/05	76.00	75.00	1000	100	75.00	75.00	76.00	75.00
10/05	76.50	75.50	1000	100	75.50	75.50	76.50	75.50
11/05	77.00	76.00	1000	100	76.00	76.00	77.00	76.00
12/05	77.50	76.50	1000	100	76.50	76.50	77.50	76.50
1/06	78.00	77.00	1000	100	77.00			

Year	1900	1901	1902	1903	1904	1905	1906	1907	1908	1909	1910	1911	1912	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030																																																		
Population	1,000,000	1,050,000	1,100,000	1,150,000	1,200,000	1,250,000	1,300,000	1,350,000	1,400,000	1,450,000	1,500,000	1,550,000	1,600,000	1,650,000	1,700,000	1,750,000	1,800,000	1,850,000	1,900,000	1,950,000	2,000,000	2,050,000	2,100,000	2,150,000	2,200,000	2,250,000	2,300,000	2,350,000	2,400,000	2,450,000	2,500,000	2,550,000	2,600,000	2,650,000	2,700,000	2,750,000	2,800,000	2,850,000	2,900,000	2,950,000	3,000,000	3,050,000	3,100,000	3,150,000	3,200,000	3,250,000	3,300,000	3,350,000	3,400,000	3,450,000	3,500,000	3,550,000	3,600,000	3,650,000	3,700,000	3,750,000	3,800,000	3,850,000	3,900,000	3,950,000	4,000,000	4,050,000	4,100,000	4,150,000	4,200,000	4,250,000	4,300,000	4,350,000	4,400,000	4,450,000	4,500,000	4,550,000	4,600,000	4,650,000	4,700,000	4,750,000	4,800,000	4,850,000	4,900,000	4,950,000	5,000,000	5,050,000	5,100,000	5,150,000	5,200,000	5,250,000	5,300,000	5,350,000	5,400,000	5,450,000	5,500,000	5,550,000	5,600,000	5,650,000	5,700,000	5,750,000	5,800,000	5,850,000	5,900,000	5,950,000	6,000,000	6,050,000	6,100,000	6,150,000	6,200,000	6,250,000	6,300,000	6,350,000	6,400,000	6,450,000	6,500,000	6,550,000	6,600,000	6,650,000	6,700,000	6,750,000	6,800,000	6,850,000	6,900,000	6,950,000	7,000,000	7,050,000	7,100,000	7,150,000	7,200,000	7,250,000	7,300,000	7,350,000	7,400,000	7,450,000	7,500,000	7,550,000	7,600,000	7,650,000	7,700,000	7,750,000	7,800,000	7,850,000	7,900,000	7,950,000	8,000,000	8,050,000	8,100,000	8,150,000	8,200,000	8,250,000	8,300,000	8,350,000	8,400,000	8,450,000	8,500,000	8,550,000	8,600,000	8,650,000	8,700,000	8,750,000	8,800,000	8,850,000	8,900,000	8,950,000	9,000,000	9,050,000	9,100,000	9,150,000	9,200,000	9,250,000	9,300,000	9,350,000	9,400,000	9,450,000	9,500,000	9,550,000	9,600,000	9,650,000	9,700,000	9,750,000	9,800,000	9,850,000	9,900,000	9,950,000	10,000,000

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**Lombard Odier**  
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**Continued on Page 18**

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## 'Chainsaw Al' Gets Fired

### Sunbeam Lays Off Dunlap for Failing to Deliver

MIAMI — Al "Chainsaw" Dunlap, a turnaround specialist legendary for cutting thousands of jobs from corporate payrolls, was fired by the appliance maker Sunbeam Corp. for failing to deliver on earnings pledges, the company said Monday.

Mr. Dunlap, who took over Sunbeam two years ago and slashed thousands of jobs, was fired because the board "lost confidence" in him just three months after he signed a new three-year contract. "We lost confidence in his leadership and his earnings forecasts," said Peter Langerman, Sunbeam's new chairman. Mr. Dunlap's attorney said his client was not available for comment.

Sunbeam said it expected to fall significantly short of 1998 earnings forecasts of \$1.00 per share. The shares hit a 52-week low of \$18.0625 on Friday. They closed at \$15.75 Monday, down \$2.3125.

"Wall Street has lost patience" with Mr. Dunlap, said Joe Kinnison of American Express Financial Advisors.

Mr. Dunlap's contract calls for him to get \$2 million a year through January 2001 and benefits including a country club membership in the event of his dismissal. Mr. Langerman said Sunbeam had not paid any severance to Mr. Dunlap and that issues surrounding his contract had been turned over to lawyers.

Mr. Langerman is chief operating officer of Franklin Mutual Advisers, the investment adviser to Franklin Mutual Series Fund, Sunbeam's largest shareholder, with a 17 percent stake.

Jerry Levin, executive vice president of MacAndrews & Forbes Holdings and the former chairman of Revlon Inc., was named chief executive of Sunbeam.

Mr. Dunlap's announced plans last month to slash 6,400 jobs as Sunbeam consolidated ownership of Coleman Co. Inc., Signature Brands USA Inc. and First Alert Inc. Previously, Mr. Dunlap cut jobs and lines of business at Scott Paper Co., Lilly-Tulip Inc. and Consolidated Press Holdings Ltd., an Australian TV and magazine empire.

Mr. Levin said Monday the planned cuts at Sunbeam were being reviewed, but he said he supported the concept that Mr. Dunlap had developed of getting more parts from outside companies.

But he questioned whether Mr. Dunlap's centralization of Sunbeam's operations would work. "My feeling is that for Sunbeam, which has multibusinesses," he said, "it won't work."

Mr. Langerman said Sunbeam was "fundamentally better" than it was two years ago when Mr. Dunlap first took over and faced no liquidity problems, but had put on hold a \$1.7 billion loan syndication it had been negotiating with bankers. (Reuters, AP, Bloomberg)



A dealer calling an order Monday in Tokyo, with dollar at 146.42 yen.

## U.S. Stocks Plummet

### On Asian Spillover

#### Wall Street Sees Profit Threat in Lower Exports

NEW YORK — Stocks fell sharply Monday, with the Dow Jones industrial average losing more than 200 points after currencies and equity markets in Asia tumbled, threatening profits for U.S. exporters and banks that lend in the region.

Minnesota Mining & Manufacturing Co. and J.P. Morgan & Co., which both do business in Asia, led the Dow Jones industrial average down 207.01 points to 8,627.93.

On Friday, the 30-stock Dow index rallied late in a burst of bargain-hunting that wiped out a 127-point slide and halted a three-day losing streak.

Broader indicators also suffered hefty losses as the dollar rose to an eight-year high against the yen, spurring another series of steep declines on foreign equity markets.

The Standard & Poor's 500-stock index slid 21.83 points to 1,077.01, and the Nasdaq composite index, dominated by computer-related companies, slipped 29.30 points to 1,715.75.

The declines in the indexes reflected a steep slide in the broad market, where declining stocks outnumbered advancing ones by a 3-to-1 ratio on the New York Stock Exchange.

Asia's deepening slump raised concern that U.S. corporate profits will not meet expectations for more than 10 per-

cent growth in the second half of companies in the S&P 500.

Analysts expect operating profits for the companies in the S&P 500 to grow 4.7 percent this quarter, down from a forecast of 12.9 percent at the beginning of the year, according to First Call Corp., which tracks analyst estimates.

"It's just going to make it that much more difficult for us to export, and it's going to make our profit outlook ever weaker," said Mark Tinker, chief investment officer for equities at Mitchell Hutchins Asset Management Inc.

The firm is raising its cash holdings in many mutual funds to between 10 percent and 12 percent, from less than 5 percent, Mr. Tinker said — effectively registering a vote of little confidence in stocks.

But some investors say a sustained bear market in U.S. stocks is unlikely because investments there still look attractive compared with most of the rest of the world.

"If you want to own financial assets, and you want to be in a market where you don't have political risk and currency risk, the U.S. is the place to go," said Philip Scherewi, chief portfolio strategist in the Washington office of Loomis Sayles & Co.

Computer-related stocks, which

See MARKETS, Page 14

## Thinking Ahead / Commentary

### Y2K Bug: Don't Panic

By Reginald Dale  
International Herald Tribune

WASHINGTON — Just like the advent of the first millennium, the approach of the year 2000 is bringing dire predictions of disaster. Doomsayers are warning of aircraft falling from the sky, riots, famine, martial law and stock market crashes.

This time, however, the warnings are based not on superstition but on hard-headed analyses of the potentially devastating effects of the so-called millennium bug — the inability of computers to recognize the year 2000 because past programmers used only two digits to denote years, without identifying the century.

As a result, countless computer software systems and millions of chips embedded in "intelligent" products around the world are likely to shut down or go haywire on Jan. 1, 2000, jeopardizing basic services from electricity and water supplies to transport, health care and telecommunications.

A few scattered optimists still argue that the problem has been grossly exaggerated, and it is true that some of the worst-case scenarios are overly hysterical. But most experts insist that it is now too late to avoid serious disruptions.

Several hundred professionals surveyed by the Washington D.C. Year 2000 Group rated the impact of the problem on the United States at an average of just under five on a scale of zero to 10 — with 10 representing the collapse of the U.S. government and possible famine.

A rating of five signified mild recession, isolated food, fuel and power shortages, disruption of transport services such as trucking and air travel and runs on banks. Some people, however, fear it will be much worse.

Edward Yardeni, chief economist of Deutsche Morgan Grenfell, told a recent conference organized by the Center for Strategic and International Studies in Washington that there was a 60 percent chance of a severe global recession and that Wall Street could fall by 30 percent next year.

Much will depend on how far governments and private businesses suc-

ceed in defusing the time bomb over the next 18 months. Nobody, however, believes that all the errors will be corrected — not even in the United States, which leads the world in tackling the problem.

Most other countries are far behind. Instead of giving priority to the millennium bug, Asia is largely focusing on resolving its financial crisis and Europe on introducing its single currency, the euro. Many developing countries are hardly aware of the danger.

Even companies and government departments that think they have made the necessary technical adjustments will be vulnerable to disruptions if their suppliers and other contacts have failed to do so. Contagion could spread from one

closed system back to those that have been corrected.

One does not have to believe the most extreme scenarios to take the sensible precautions most experts now recommend. Businesses, for instance, should assign top managers, not just technical experts, to the problem, draw up contingency plans for coping with systems failures and postpone complicated operations like accounting changes.

Much of the same applies to governments, which have the added responsibility for heading off military disasters, such as might be caused, for example, by false warnings of nuclear missile attacks.

ABOVE all, political leaders urgently need to explain the risks and activate coordinated responses. In the United States, there is widespread amazement at the silence of Vice President Al Gore, the administration's top computer geek, whose bid for the presidency in the 2000 elections could be at stake.

There is no need to take to the hills, as some survivalists are urging. But the Central Intelligence Agency is advising its employees to pay their bills early in December 1999, keep cash on hand and lay in extra blankets. And many people, whether they are superstitious or not, probably won't want to be in a plane as the millennium dawns.

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## Japanese Rush to Convert Yen to Other Currencies

By Don Kirk  
International Herald Tribune

TOKYO — Holders of yen are shipping funds out of the country and converting them into Western currencies at an unprecedented rate, foreign analysts and Japanese officials said Monday.

The flight began with the liberalization of the foreign-exchange market on April 1 that made it easier for individuals to convert yen into dollars and has been picking up speed in the last few days as the yen depreciated, analysts said.

The net outflow of equity and bond investments for the month of April alone reached 3.74 trillion yen (\$26 billion), according to figures released Monday by the Finance Ministry. It was the highest monthly outflow since the ministry began recording securities investment figures in 1980.

"The money has been pouring out of here," said Brian Harris, a consultant for Merrill Lynch Japan. "With interest rates at 1 percent, there's no interest in keeping money in the country."

The Finance Ministry issued the April figures as the yen continued to plummet Monday against the dollar, breaking through the 146 yen level and helping push down stock prices throughout Asia.

The desire to get rid of yen appears to be part of a vicious cycle: This flight of capital diminishes confidence in Japan's ability to bolster its economy, encouraging yet more money to leave the country and making it more difficult for Japan to extricate itself from its financial doldrums.

The cycle began on the day currency controls were liberalized, which was the same day the Bank of Japan said that "the nation's business sentiment had worsened across the board." It accelerated on Friday after the government conceded that Japan was in recession — a fact most economists had assumed for some time — after the economy contracted for two consecutive quarters.

The nation's gross domestic product shrank 1.3 percent in the first three months of this year from the previous quarter — an annual rate of 5.3 percent that surprised even the most pessimistic analysts.

Another factor in the eagerness of Japanese to unload yen is that the Bank of Japan is holding interest rates low, which removed incentives for keeping yen-denominated funds even before the yen began its sharp daily decline last week.

"Nobody wants to buy yen now,"

said Yoshi Murakami, who was changing some of his savings at a local branch of the Dai-ichi Kangyo Bank. "Everybody is thinking of buying dollars."

Although the April statistics showed the yen crisis had been building for months, some analysts still blamed the U.S. treasury secretary, Robert Rubin, for adding fuel to the flames Thursday by saying that it was essentially up to the Japanese to solve the yen problem.

"America is standing aside while Japan devalues its currency," said Kenneth Courtis, chief economist for Deutsche Bank Group Asia and Pacific.

Mr. Courtis charged that "the constant reassertion by the United States that it wants a strong dollar is a permanent telegram to the rest of the world" that it would act to strengthen the dollar at the expense of other currencies.

The aim of U.S. monetary policymakers was to hold down inflation and interest rates in the United States, Mr. Courtis said, while "the weaker yen is a strong plus for Japan" since it makes Japanese products easier to sell abroad.

The United States and Japan "are locked into a dance that has the effect of destroying the rest of the world's econ-

omy," Mr. Courtis said. "Japan should be cleaning up its banks and deregulating." In the drive to unload yen, Japanese are now showing a clear preference for foreign rather than Japanese stocks and bonds, the finance ministry said.

Moody's Investors Service Inc. has downgraded its triple-A rating for yen-denominated government bonds and its triple-A country ceiling for long-term foreign currency bonds from stable to negative.

Investors in April paid 1.83 trillion yen, a monthly record, for foreign stocks, according to the ministry.

Private Banking  
International

## HOW TO BUILD

When you build the best of your dreams, you know it was essential to call upon professionals. Only they had the skills and experience to understand your goals and make your project a reality. In very much the same way, when it comes to Private Banking, you'll benefit from Credit Lyonnais' more than 100 years of know-how. We know the value of listening first to fully understand your plans for future generations. Only then do we respond with just the right asset management solutions and investment strategies specifically adapted to your needs.

## A PARTNERSHIP

Let's talk.

CREDIT LYONNAIS

Your partner.

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## CURRENCY & INTEREST RATES

Cross Rates										June 15										
	US\$	DM	FF	Yen	GBP	HK\$	S\$	Yen	CHF		US\$	DM	FF	Yen	GBP	HK\$	S\$	Yen	CHF	
Australian dollar	2.3405	1.2722	103.08	81.46	5.665	1.264	1.287	1.266	122.87											
Canada	0.7238	1.18	4.169	2.967	0.7035	1.267	1.282	0.702	126.53											
France	1.653	2.5635		6.2862	8.1852	0.8972	4.48	1.294	1.267	1.248	0.7099									
Germany	0.6300	0.6300	0.6300	0.6300	0.6300	0.6300	0.6300	0.6300	0.6300	0.6300	0.6300									
Italy	1.3660	1.3660	1.3660	1.3660	1.3660	1.3660	1.3660	1.3660	1.3660	1.3660	1.3660									
Japan	146.42	146.42	146.42	146.42	146.42	146.42	146.42	146.42	146.42	146.42	146.42									
UK	0.6300	0.6300	0.6300	0.6300	0.6300	0.6300	0.6300	0.6300	0.6300	0.6300	0.6300									
Switzerland	0.7033	0.7033	0.7033	0.7033	0.7033	0.7033	0.7033	0.7033	0.7033	0.7033	0.7033									
Sweden	8.4660	8.4660	8.4660	8.4660	8.4660	8.4660	8.4660	8.4660	8.4660	8.4660	8.4660									
Spain	166.37	166.37	166.37	166.37	166.37	166.37	166.37	166.37	166.37	166.37	166.37									
South Africa	6.5000	6.5000	6.5000	6.5000	6.5000	6.5000	6.5000	6.5000	6.5000	6.5000	6.5000									
South Korea	1067.00	1067.00	1067.00	1067.00	1067.00	1067.00	1067.00	1067.00	1067.00	1067.00	1067.00									
Taiwan	246.36	246.36	246.36	246.36	246.36	246.36	246.36	246.36	246.36	246.36	246.36									
Thailand	54.7560	54.7560	54.7560	54.7560	54.7560	54.7560	54.7560	54.7560	54.7560	54.7560	54.7560									
US	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000									
Other Dollar Values																				
Argentine peso	0.0095																			
Australian dollar	0.6995																			
Canada	0.6995																			
Chinese yuan	8.2799																			
Czech koruna	34.76																			
Danish krone	6.5595																			
Deutsche mark	0.6300																			
French franc	6.5595																			
Italian lire	1.3660																			
Japanese yen	146.42																			
Malaysian ringgit	2.3363																			
Mexican peso	16.6391																			
Netherlands guilder	1.3660																			
New Zealand dollar	1.3315																			
Portuguese escudo	200.48																			
Romanian lei	1666.58																			
Russian ruble	47.7560																			
Slovak koruna	34.76																			
Slovenian tolar	236.56																			
Sri Lankan rupee	193.48																			
Swedish krona	8.4660																			
Swiss franc	0.7033																			
Taiwan dollar	246.36																			
Thai baht	54.7560																			
Turkish lira	200.48																			
Vietnamese dong	200.48																			
Yugoslavian dinar	166.37																			
Lib-Lib-Rates																				
		Dollar	D-Mark	Swiss	French															
1-month	50A	50A	30A	10A	10A	10A	10A	10A	10A	10A	10A	10A	10A	10A	10A	10A	10A	10A	10A	
3-month	50A	50A	30A	10A	10A	10A	10A	10A	10A	10A	10A	10A	10A	10A	10A	10A	10A	10A	10A	
6-month	50A	50A	30A	10A	10A	10A	10A	10A	10A	10A	10A	10A	10A	10A	10A	10A	10A	10A	10A	
1-year	50A	50A	30A	10A	10A	10A	10A	10A	10A	10A	10A	10A	10A	10A	10A	10A	10A	10A	10A	
Source: Reuters, Lloyd's Bank																				
Notes: Applicable to interbank deposits of at least \$1 million (or equivalent).																				
Key Money Rates																				
		Today	Prev																	
Discount rates		5.00	5.00																	
Prime rate		5.00	5.00																	
Federal funds		5.00	5.00																	
90-day CDs (bank)		5.00	5.00																	
6-month interbank		5.00	5.00																	
1-year interbank		5.00	5.00																	
10-year T-B		5.00	5.00																	
Price		Price	Price																	
3-month T-Bill		5.00	5.00																	
1-year T-Bill		5.00	5.00																	
10-year T-Bill		100.00	5.00																	
2-year T-note		100.12	5.00																	
5-year T-note		100.12	5.00																	
10-year T-note		100.12	5.00																	
30-year T-bond		100.12	5.00																	
Source: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Citicorp, Credit Lyonnais.																				
Gold																				
		A.M.	P.M.	Crude																
London	1.3811	1.4284	1.4251	Japanese yen	146.42	146.42	146.42	146.42	146.42	146.42	146.42	146.42	146.42	146.42	146.42	146.42	146.42	146.42	146.42	
Portugal Sterling	6.5595	6.5595	6.5595	Swiss franc	0.7033	0.7033	0.7033	0.7033	0.7033	0.7033	0.7033	0.7033	0.7033	0.7033	0.7033	0.7033	0.7033	0.7033	0.7033	
Canadian dollar	0.6995	0.6995	0.6995																	
Deutsche mark	0.6300	0.6300	0.6300																	
Source: ING Bank (Amsterdam), Com Interbank Bank (Buenos Aires), Banca Commerciale Italiana (Milan), Citicorp (New York), Bank of Tokyo-Mitsubishi (Tokyo), Royal Bank of Canada (Toronto), J.M.F. (SFO). Other data from the Associated Press. Bloomberg and Reuters.																				







# MCI Agrees to Sell Entire Internet Network

**Bloomberg News**  
**LONDON** — MCI Communications Corp., the second-biggest U.S. long-distance phone company, offered Monday to sell all its Internet assets to win regulatory approval for its \$40.2 billion acquisition by WorldCom Inc., an EU official close to the negotiations said.

Cable & Wireless PLC, Britain's second-largest telephone company, insisted Monday it still had an agreement to buy some of MCI's Internet assets. It also said MCI agreed to negotiate with it first before it sells the rest, even though a U.S. court ruled Friday that MCI could look for other buyers.

Negotiations between MCI, WorldCom — the fourth-largest U.S. long-distance phone company — and regulators in Europe and the United States threatened to undermine the agreement between Cable & Wireless and MCI.

Analysts said the acquisition by Cable & Wireless of the Internet assets would considerably raise the

British company's international presence, particularly in the United States.

This month, MCI agreed to sell its Internet business for \$625 million to Cable & Wireless. MCI's corporate accounts and retail Internet businesses were not included in the agreement.

"The issue is whether MCI's entire Internet business goes up for auction or whether it goes at a price that suits Cable & Wireless," said Keith Mallinson, managing director of the Yankee Group Europe, a telecommunications consulting firm.

He said U.S. telecommunications mergers and takeovers since the latest round of deregulation in 1996, including WorldCom's bid for MCI, made economic sense because they eliminate duplicated costs.

But Cable & Wireless remains confident its agreement with MCI will proceed as planned.

"We're pleased that as part of the proceedings, all parties agreed our contract is still in force," said Peter

Eustace, a spokesman for Cable & Wireless.

He declined to say whether Cable & Wireless would bid for the enlarged MCI Internet business or what it would do if it lost the wholesale business. "Those are all bridges we'll cross when we come to them," Mr. Eustace said.

Last week Cable & Wireless sought an injunction in a U.S. court to require MCI to comply with its agreement to sell its wholesale Internet business to the British company. The court refused to grant the injunction.

It is likely that one buyer would get all of MCI's Internet assets, leaving Cable & Wireless empty-handed — except for a \$25 million payment from MCI for breaking the earlier sales agreement — unless it wins the bidding, analysts said.

"The economic justification for buying the enlarged Internet business is quite possibly weaker for an organization that doesn't already have a stronger North American presence," an analyst said.

Others said all was not lost for Cable & Wireless.

"This is a setback for Cable & Wireless, but not a grave disappointment," said Jim Sloane, a telecommunications analyst at Deleto & Touche Consulting. "But they're obviously worried — the injunction was quite a severe reaction. It won't have done relations with MCI any good."

Cable & Wireless's shares closed Monday in London at 655 pence (\$10.69), down 18 pence. MCI shares were up 75 cents at \$50.5625 in late trading on the Nasdaq stock market, where WorldCom shares were at \$43.25, up 75 cents.

EU regulators view MCI's new proposal as a positive step toward securing EU approval for the acquisition, said an official close to the negotiations, who spoke on condition of anonymity. He said MCI still needed to deliver a formal proposal clarifying some aspects of the offer to convince EU regulators it was divesting its entire Internet network.

## A Tax Inquiry At Germany's Biggest Bank

**Reuters**  
**FRANKFURT** — About 300 tax investigators descended on Deutsche Bank AG on Monday in a tax investigation that has hit several of its rivals in recent years.

Prosecutors said they were investigating Deutsche Bank managers and staff for allegedly helping clients evade taxes by letting them move funds abroad anonymously.

The bank said it was cooperating with the investigators but denied that it had systematically helped customers avoid paying taxes.

"There was no system of helping tax evasion in the bank," Deutsche Bank said. The allegations are similar to those made against several other German banks, including Dresdner Bank AG and Commerzbank AG, in an official crackdown that began in 1994.

A tax investigation caused an upheaval in Dresdner's management last year. Three senior executives were forced to resign, including the bank's supervisory board chairman.

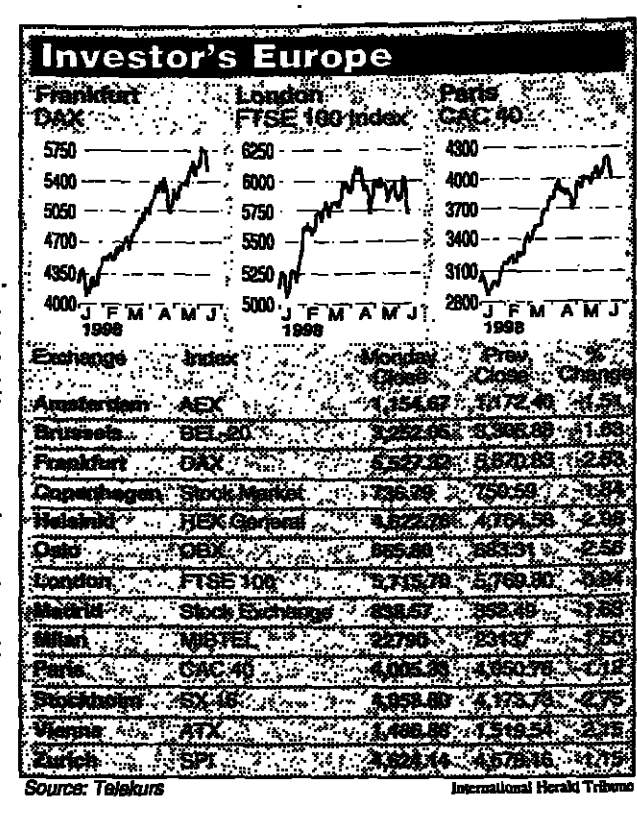
"There are indications that managers and staff of Deutsche Bank who are not yet known by name enabled customers to transfer assets abroad anonymously," a spokesman for the Frankfurt state prosecutors' office said.

A Deutsche Bank spokesman said the inquiry came as no surprise after so many other banks had been investigated. "We won't comment but are cooperating in line with legal requirements, although we must protect our customers' confidentiality," the spokesman said.

Investors have shifted billions of Deutsche marks abroad since Germany imposed a 30 percent withholding tax on interest income in 1994. Investing abroad is not a crime, but failing to declare interest income on those investments on annual tax returns is in breach of the law.

German banks have long complained they have been treated unfairly by the authorities and contended that they were being penalized for merely doing their job. The banks say it is up to clients to declare their income to the tax authorities.

Deutsche Bank shares closed 4.40 DM (\$2.43) lower at 144.90 DM (frank) in Frankfurt.



## Confidence Wavers in Russia Stocks

**Bloomberg News**  
**MOSCOW** — Russia's benchmark stock index fell more than 7 percent Monday to an 18-month low, after Asian markets slumped and amid concern that Russia will not be able to improve its finances without emergency aid.

The Russian Trading System index fell 7.3 percent to 165.11, its lowest level since October 1996, led by some of the country's most actively traded companies such as AO Tatneft and AO Mosenergo. The RTS is down more than 55 percent since the start of the year.

"There is more bearishness in the pipeline for emerging markets," said Constance Hunter, a portfolio manager at Firebird Capital Management, with about \$155 million in Russia and the former Soviet Union.

"This will be one of those years where managers are paid not to lose money rather than to make piles of it."

Investors are still waiting to see whether Russia receives an emergency loan from international lenders to back the ruble. The International Monetary Fund has repeated that no emergency aid is planned, and a meeting of deputy

finance ministers of the Group of Seven most-industrialized countries in Paris last week also failed to produce a bailout package.

"The market will remain weak until we see more clear evidence of a package coming," said Peter Boone, an economist at Moscow-based Brunswick Warburg. "The market is saying unless there is a package available, there will be a lot of problems." In the present world environment, it will be "very difficult" for the Russian government "to go it alone," he added.

Analysts and investors say that Russia must secure a loan of between \$10 billion and \$20 billion to bolster investor confidence in the ruble and the government's ability to hold its finances together.

"It's essentially a crisis of confidence," said Margot Jacobs, a banking analyst at United Financial Group in Moscow. "The funding is essentially to shore up investor confidence that the bottom is not going to drop out of this place, that someone is going to catch them if they fall."

The price of oil, one of Russia's largest cash exports, has fallen to new lows. Crude oil for August del-

ivery fell more than 2 percent after falling 15 percent last week. Oil companies are some of Russia's biggest taxpayers, and eroding company profits hurt the government's budget.

"The price of Russia's oil exports is going through the floor," said Martin Taylor, investment director at Baring Asset Management in London, with about \$1 billion invested in Eastern Europe and Russia. "The current account is getting shot to pieces, by the fall in oil prices."

Oil companies were among the biggest losers Tuesday. Tatneft, the country's fourth-largest oil producer, fell more than 19.8 percent to 37.9 cents, its lowest price since October 1996, and OAO Lukoil Holding, Russia's largest oil producer, fell more than 9 percent to \$8.60. Lukoil has lost more than 60 percent of its value since the beginning of the year.

UES fell 13.7 percent to 13.95 cents, while AO Mosenergo, the electric utility, fell 14.6 percent to an 18-month low of 5.6 cents. RAO Rostelekom, Russia's long-distance telephone operator, fell more than 10 percent to \$2.26.

## Tetley Abandons Flotation Plan

**Reuters**  
**LONDON** — Tetley Group, the second largest tea maker in the world, said Monday that it had abandoned its plan to list shares on the London Stock Exchange.

The group, which had planned to list in July, said it had decided to "pursue another opportunity rather than proceed with flotation at this time."

A spokesman said the company had nothing more to add.

The decision came as a shock to the investment community. Only two weeks ago Tetley took about 20 analysts to visit its main factory in Newcastle in northeast England.

Although it gave the analysts no sales data or financial history, they were led to expect listing particulars last Thursday.

Some analysts speculated that the group must have received a bid.

"The process of flotation was always likely to flush out a predator," said an analyst who declined to be named.

A tax investigation caused an upheaval in Dresdner's management last year. Three senior executives were forced to resign, including the bank's supervisory board chairman.

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**Very briefly:**

- Axel Springer Verlag AG, a German publisher, ruled out a bid for Mirror Group PLC of Britain.
- German retail sales, including car sales, fell a real 7.8 percent in April from March, seasonally adjusted figures from the Bundesbank showed. Sales at Germany's stores fell 6.5 percent in April from April 1997, the German central bank said.
- Volkswagen AG said forced labor in its factories during World War II was the responsibility of the government, adding that it would not pay compensation to former slave workers.
- Germany's telecommunications regulator ordered Deutsche Telekom AG to charge a fee of 27 Deutsche marks (\$14.93) this year to customers switching to another carrier, arguing that higher fees could scare consumers from rivals. The company had wanted to charge 49 DM.
- Cap Gemini SA, Europe's biggest computer-services company, will buy 5 percent of Hagler Bailly Inc., a U.S. consulting company, for \$12.7 million, as the French company expands in the United States.
- Bertelsmann AG's CLT-Ufa unit rejected Rupert Murdoch's call for the German TV giant to invest in their joint Vox channel or sell its stake in the channel.
- British Steel PLC's pretax profit dropped 30.2 percent, to \$315 million (\$515 million), for the year ended March 28, as the strong pound wiped more than £500 million from earnings.
- Fortis AG said it was confident its purchase of Generale de Banque SA would not dilute its earnings and would result in annual cost savings of 425 million European currency units (\$463.6 million) starting in 2002.
- Bayer AG plans to invest more than 10 billion DM in the research and development of new medicines and treatments over the next five years.

AP, Bloomberg, Reuters

## WORLD STOCK MARKETS

Monday, June 15  
 Daily prices in local currencies.

Amsterdam

High	Low	Close	Prev.
Amst-AMRO	44.80	44.80	44.80
Amst-ABN	43.80	43.80	43.80
Amst-ABN	43.80	43.80	43.80
Amst-ABN	43.80	43.80	43.80
Amst-ABN	43.80	43.80	43.80
Amst-ABN	43.80	43.80	43.80
Amst-ABN	43.80	43.80	43.80
Amst-ABN	43.80	43.80	43.80
Amst-ABN	43.80	43.80	43.80
Amst-ABN	43.80	43.80	43.80

Frankfurt

High	Low	Close	Prev.
Frank-AMRO	44.80	44.80	44.80
Frank-ABN	43.80	43.80	43.80
Frank-ABN	43.80	43.80	43.80
Frank-ABN	43.80	43.80	43.80
Frank-ABN	43.80	43.80	43.80
Frank-ABN	43.80	43.80	43.80
Frank-ABN	43.80	43.80	43.80
Frank-ABN	43.80	43.80	43.80
Frank-ABN	43.80	43.80	43.80
Frank-ABN	43.80	43.80	43.80

Johannesburg

High	Low	Close	Prev.
Joh-AMRO	44.80	44.80	44.80
Joh-ABN	43.80	43.80	43.80
Joh-ABN	43.80	43.80	43.80
Joh-ABN	43.80	43.80	43.80
Joh-ABN	43.80	43.80	43.80
Joh-ABN	43.80	43.80	43.80
Joh-ABN	43.80	43.80	43.80
Joh-ABN	43.80	43.80	43.80
Joh-ABN	43.80	43.80	43.80
Joh-ABN	43.80	43.80	43.80

Kuala Lumpur

High	Low	Close	Prev.
Kua-AMRO	44.80	44.80	44.80
Kua-ABN	43.80	43.80	43.80
Kua-ABN	43.80	43.80	43.80
Kua-ABN	43.80	43.80	43.80
Kua-ABN	43.80	43.80	43.80
Kua-ABN	43.80	43.80	43.80
Kua-ABN	43.80	43.80	43.80
Kua-ABN	43.80	43.80	43.80
Kua-ABN	43.80	43.80	43.80
Kua-ABN	43.80	43.80	43.80

London

High	Low	Close	Prev.
Lon-AMRO	44.80	44.80	44.80
Lon-ABN	43.80	43.80	43.80
Lon-ABN	43.80	43.80	43.80
Lon-ABN	43.80	43.80	43.80
Lon-ABN	43.80	43.80	43.80
Lon-ABN	43.80	43.80	43.80
Lon-ABN	43.80	43.80	43.80
Lon-ABN	43.80	43.80	43.80
Lon-ABN	43.80	43.80	43.80
Lon-ABN	43.80	43.80	43.80

Madrid

High	Low	Close	Prev.
Mad-AMRO	44.80	44.80	44.80
Mad-ABN	43.80	43.80	43.80
Mad-ABN	43.80	43.80	43.80
Mad-ABN	43.80	43.80	43.80
Mad-ABN	43.80	43.80	43.80
Mad-ABN	43.80	43.80	43.80
Mad-ABN	43.80	43.80	43.80
Mad-ABN	43.80	43.80	43.80
Mad-ABN	43.80	43.80	43.80
Mad-ABN	43.80	43.80	43.80

Mexico

High	Low	Close	Prev.
Mex-AMRO	44.80	44.80	44.80
Mex-ABN	43.80	43.80	43.80
Mex-ABN	43.80	43.80	43.80
Mex-ABN	43.80	43.80	43.80
Mex-ABN	43.80	43.80	43.80
Mex-ABN	43.80	43.80	43.80
Mex-ABN	43.80	43.80	43.80
Mex-ABN	43.80	43.80	43.80
Mex-ABN	43.80	43.80	43.80
Mex-ABN	43.80	43.80	43.80

Montreal

High	Low	Close	Prev.
Mon-AMRO	44.80	44.80	44.80
Mon-ABN	43.80	43.80	43.80
Mon-ABN	43.80	43.80	43.80
Mon-ABN	43.80	43.80	43.80
Mon-ABN	43.80	43.80	43.80
Mon-ABN	43.80	43.80	43.80
Mon-ABN	43.80	43.80	43.80
Mon-ABN	43.80	43.80	43.80
Mon-ABN	43.80	43.80	43.80
Mon-ABN	43.80	43.80	43.80

Oslo

High	Low	Close	Prev.
Oslo-AMRO	44.80	44.80	44.80
Oslo-ABN	43.80	43.80	43.80
Oslo-ABN	43.80	43.80	43.80
Oslo-ABN	43.80	43.80	43.80
Oslo-ABN	43.80	43.80	43.80
Oslo-ABN	43.80	43.80	43.80
Oslo-ABN	43.80	43.80	43.80
Oslo-ABN	43.80	43.80	43.80
Oslo-ABN	43.80	43.80	43.80
Oslo-ABN	43.80	43.80	43.80

Paris

High	Low	Close	Prev.
Par-AMRO	44.80	44.80	44.80
Par-ABN	43.80	43.80	43.80
Par-ABN	43.80	43.80	43.80
Par-ABN	43.80	43.80	43.80
Par-ABN	43.80	43.80	43.80
Par-ABN	43.80	43.80	43.80
Par-ABN	43.80	43.80	43.80
Par-ABN	43.80	43.80	43.80
Par-ABN	43.80	43.80	43.80
Par-ABN	43.80	43.80	43.80

Romby

High	Low	Close	Prev.
Rom-AMRO	44.80	44.80	44.80
Rom-ABN	43.80	43.80	43.80
Rom-ABN	43.80	43.80	43.80
Rom-ABN	43.80	43.80	43.80
Rom-ABN	43.80	43.80	43.80
Rom-ABN	43.80	43.80	43.80
Rom-ABN	43.80	43.80	43.80
Rom-ABN	43.80	43.80	43.80
Rom-ABN	43.80	43.80	43.80
Rom-ABN	43.80	43.80	43.80

Singapore

High	Low	Close	Prev.
Sing-AMRO	44.80	44.80	44.80
Sing-ABN	43.80	43.80	43.80
Sing-ABN	43.80	43.80	43.80
Sing-ABN	43.80	43.80	43.80
Sing-ABN	43.80	43.80	43.80
Sing-ABN	43.80	43.80	43.80
Sing-ABN	43.80	43.80	43.80
Sing-ABN	43.80	43.80	43.80
Sing-ABN	43.80	43.80	43.80
Sing-ABN	43.80	43.80	43.80

Sydney

High	Low	Close	Prev.
Syd-AMRO	44.80	44.80	44.80
Syd-ABN	43.80	43.80	43.80
Syd-ABN	43.80	43.80	43.80
Syd-ABN	43.80	43.80	43.80
Syd-ABN	43.80	43.80	43.80
Syd-ABN	43.80	43.80	43.80
Syd-ABN	43.80	43.80	43.80
Syd-ABN	43.80	43.80	43.80
Syd-ABN	43.80	43.80	43.80
Syd-ABN	43.80	43.80	43.80

Taipei

High	Low	Close	Prev.
Tai-AMRO	44.80	44.80	44.80
Tai-ABN	43.80	43.80	43.80
Tai-ABN	43.80	43.80	43.80
Tai-ABN	43.80	43.80	43.80
Tai-ABN	43.80	43.80	43.80
Tai-ABN	43.80	43.80	43.80
Tai-ABN	43.80	43.80	43.80
Tai-ABN	43.80	43.80	43.80
Tai-ABN	43.80	43.80	43.80
Tai-ABN	43.80	43.80	43.80

Tel Aviv

High	Low	Close	Prev.
Tel-AMRO	44.80	44.80	44.80
Tel-ABN	43.80	43.80	43.80
Tel-ABN	43.80	43.80	43.80
Tel-ABN	43.80	43.80	43.80
Tel-ABN	43.80	43.80	43.80
Tel-ABN	43.80	43.80	43.80
Tel-ABN	43.80	43.80	43.80
Tel-ABN	43.80	43.80	43.80
Tel-ABN	43.80	43.80	43.80
Tel-ABN	43.80	43.80	43.80

Tokyo

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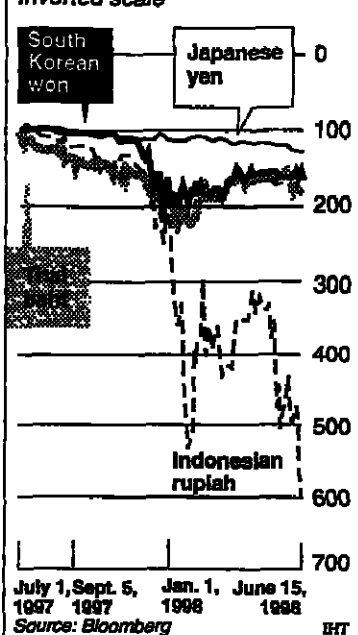


## ASIA/PACIFIC

## Is the Yen's Plunge Really So Bad for the Rest of Asia?

## Even Weaker Than the Yen

A comparison of four Asian currencies, July 1, 1997=100. Inverted scale



By Philip Bowring  
Special to the Herald Tribune

**HONG KONG** — Asian markets are falling in unison, each, as it does so, pointing a finger at Japan. The yen is the handiest explanation of the region's latest affliction. But is a weak yen really so bad for Asia? Arguably it is more symptom of Japan's problems than cause of other Asian ones.

There is no doubt that the yen's fall has caused collateral damage in a global marketplace where many players prefer to lump all Asia into one category. But facts may get in the way of this simple story. The U.S. Treasury secretary, Robert Rubin, has pointed out that yen weakness is a result of problems in Japan's domestic economy rather than something that can be addressed by Group of Seven central bank intervention.

Likewise, for Southeast Asia, South Korea, China and Hong Kong, the yen collapse is an additional headache but not the root of their difficulties.

South Korea was especially hard hit last week on the assumption that its exports would face even tougher Japanese competition. That is true enough. But as the won has fallen farther than the yen over the past year, it is not clear that South Korea has lost competitiveness. For Korea, yen weakness is offset by the high level of yen-denominated imports from Japan.

South Korea's export volumes

## ECONOMIC SCENE

have been growing despite falling Asian demand. Korea's problems are the collapse of domestic demand caused by extraordinarily high interest rates, deterioration in its terms of trade and the perceived need to run a huge trade surplus in order to repay short term debt. The yen is marginal to these problems.

Southeast Asia is mainly an exporter of labor-intensive manufactures and commodities. There is scant direct competition with Japan. The yen level was a concern when currencies were linked to the U.S.

But devaluations of the past year have greatly reduced the significance of the dollar-yen rate. Again, the problems are now debt, high interest rates, capital outflows and collapsed domestic demand. The yen can go back to 120 without doing anything for these problems.

China has greater cause for worry because it has not devalued. Japan is its second largest market. But China's export problems are more due to the falls of neighboring currencies than to the yen itself. China still runs a huge trade surplus, so pressure for yuan devaluation comes more from domestic conditions — weak demand, rising state enterprise losses and so forth — than from overall external circumstances.

The central bank governor, Dai Xianglong, has been trying to make China appear virtuous, saying a stable yuan — against the dollar — hurts. Indeed it does. But it is hard to see how any of China's major trade partners can be blamed. China's trade surplus is second only to that of Japan. Domestic weakness is due

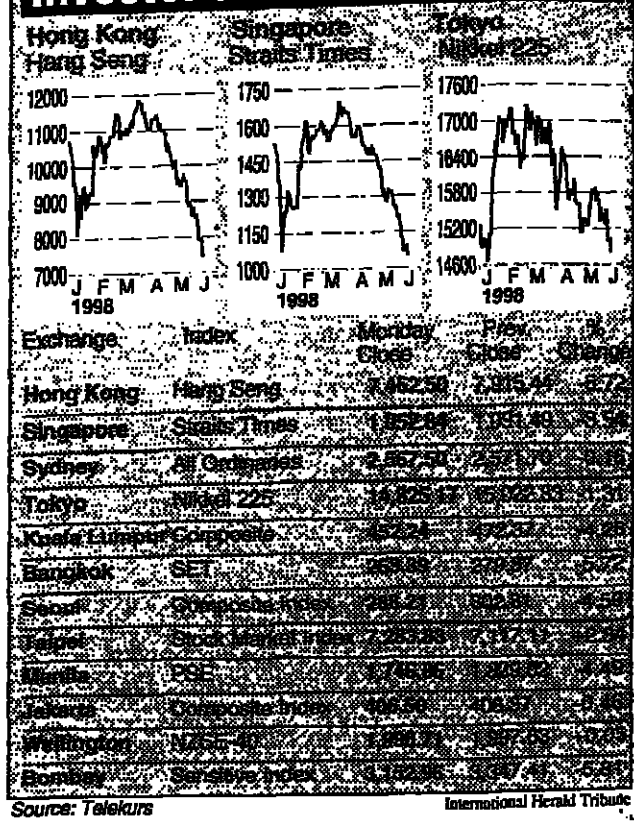
to domestic factors. Many see Mr. Dai's remarks as paving the way to make Japan the scapegoat should China decide to let the yuan fall.

Taiwan is feeling some pressure from a weak yen, but having let the Taiwan dollar slide 25 percent in the past year can absorb it without much difficulty. Hong Kong is the victim of fears of yuan devaluation pushing up local interest rates. But Hong Kong's problems derive from its own fixed exchange rate and 10 years of asset bubble. The yen has simply become an excuse for problems caused by Hong Kong's own monetary management.

In the end, the main concern of the rest of Asia should be whether the weak yen stimulates the Japanese economy. A strong yen helped kill domestic demand and induce a deflationary psychology. If a weak yen does the opposite, bringing back modest inflation and thus a desire to spend, it should be welcomed.

There are many "ifs" there. But Japan has tried so much else already that maybe a very weak yen is the answer. In the short run, Japanese money may all go out of the door and — with capital outflow from Southeast Asia — add to asset inflation in the United States and Europe. But the rest of Asia may come to realize that a weak yen has advantages if Japanese demand is to lead the region out of deflation and capital exodus.

## Investor's Asia



## Very briefly:

• Long-Term Credit Bank of Japan Ltd. sold its aviation and shipping financing division, based in London and New York, for \$1.55 billion to Deutsche Verkehrs Bank of Germany to strengthen its capital to asset ratio.

• Hitachi Ltd. is likely to have its long-term credit rating cut by Standard & Poor's Corp. The rating company plans to review "with negative implications" Hitachi's top "AAA" long-term rating over the next few weeks.

• Microsoft Corp. has agreed to invest \$10 million to \$20 million in Hangul & Computer Co., the company that pioneered South Korean language software.

• Japanese companies employed 8,191 million full-time workers in the year that ended March 31, a 1.4 percent decline from a year earlier, a Ministry of Trade and Industry survey showed. Those companies employed 1,252 million temporary workers during the same period, up 4.8 percent.

• Hanil Group of South Korea unveiled a major spin-off as other conglomerates waited anxiously for a list of "non-viable" firms for liquidation. Hanil plans to sell four of its six units to focus on acrylic fiber, fashion, sporting goods, construction and trading businesses.

• Seagram Co. of Canada has signed a \$59 million contract to increase its stake in South Korea's largest alcoholic beverage maker, Doosan, industry officials said. The deal will increase Seagram's stake in Doosan Seagram Co. to 77.8 percent from 50 percent.

## Smart Money in China Advises to 'Buy Dollars'

Bloomberg News

**SHANGHAI** — Wang Xiao reached for his mobile phone and proffered advice that could land him in jail: "Buy dollars."

Mr. Wang trades dollars, Deutsche marks and yen on the black market in Shanghai, and the word on the street is that China may bow to market pressure and devalue its currency.

Along the city's busiest thoroughfare, the going rate for the dollar rose to 8.54 yuan Monday from 8.43 yuan a month ago.

Mr. Wang and other black-market traders said business was up. More people are buying dollars in case Beijing reneges on its promises not to devalue the yuan, these traders said.

"If you have some extra money, buy dollars," Mr. Wang said. Some street traders said the yuan may

weaken, with the dollar rising to 10 yuan by the end of the year.

Granted, Mr. Wang and his cohorts, like traders anywhere, are just responding to the marketplace. Yet some economists and company executives said there was reason to worry that the yuan, the only currency in the world to strengthen against the dollar in the past year, may soon buckle like other Asian currencies.

China's trade is being hurt by Japan's feeble economy and weakening yen and slowing growth across Asia. Exports fell 1.5 percent in May, the first decline in almost two years.

The country's economy is growing at its slowest pace since 1990, and growth looks likely to fall below the government forecast of 8 percent this year.

That could hurt Beijing's effort to streamline ailing state industries, a

process that will throw millions of people out of work.

A devaluation by China would probably send stocks and currencies reeling across Asia. On Monday, Hong Kong's Hang Seng index tumbled 5.72 percent to a three-year low on speculation that such a move may occur.

Companies doing business in China are also hedging their bets.

For example, International Trade Development Co., the Hong Kong-based cable supplier, is already pricing in a devaluation, an executive said. The company is pricing imported products at 10 yuan to the dollar, against the official rate of about 8.3 yuan.

"Our office in Hong Kong is very worried," said David Guo, manager of the company's Beijing office. "We think it may be soon."

Even Beijing has been sending out

what many see as warning signals.

The depreciation of the Japanese yen has put "great pressure" on the yuan, China's Financial News reported, citing a Tokyo-based correspondent for the state-run Xinhua news agency.

The Hong Kong Standard reported that Deputy Prime Minister Li Qiangong said China might break its promises to hold the yuan steady to shore up export competitiveness.

But not all economists say China will devalue.

The chief Asian economist for Deutsche Bank, Ken Courtis, met senior Chinese officials recently. He said the yen's weakness should be separated from talk of a possible yuan devaluation.

Wang Xiao, though, can still be reached on his mobile phone, and he is ready to deliver dollars just about anywhere in central Shanghai.

## Another Decline For North Korea

The Associated Press

**SEOUL** — North Korea's economy contracted 2.6 percent in 1997, the eighth straight year of decline, South Korea's central bank said Monday.

The Bank of Korea said North Korea generated \$12 billion in gross national product in 1997, down 2.6 percent from the previous year. North Korea's trade deficit was \$360 million, the bank said.

The North's economy began shrinking in 1990 with communism's collapse in the Soviet Union.

## For Asians, Questions but Few Answers

By Thomas Crampton  
International Herald Tribune

**BANGKOK** — As turbulence from the falling yen rocked Asian currencies on Monday, top Asian officials meeting in Bangkok raised more questions than answers as they discussed lessons from the crisis and how best to manage capital flow in the future.

One proposal for sweeping reform, which included the founding of a "World Financial Organization," was immediately shot down by participants as unwieldy and too bureaucratic.

Although short on conclusions, the two-day session added new voices to the debate among prominent economists and global finance officials about how to prevent the flow of funds from rich countries into developing nations from destabilizing their economies.

While presiding over one session, the governor of the central bank of the Philippines, Gabriel Singson, turned to the leading delegate of the International Monetary Fund to ask him exactly what he thought Southeast Asian central bankers should do about the falling yen.

"You must keep doing what you are doing," responded Kunio Saito, director of the IMF regional office for Asia

and the Pacific. "The yen has also fluctuated very widely in the past and it is something countries in the region will have to deal with."

Creation of a global financial organization was proposed by Azizul Islam, director of development research at the UN Economic and Social Commission for Asia and the Pacific.

The organization, in order to stabilize financial markets, would monitor implementation of sound international principles and practices for accounting, banking and securities markets as well as formulate regulations for the flow of short-term capital.

To avoid a fast flight of short-term capital, as has occurred during Asia's economic crisis, the paper proposed tax breaks for the inflow of longer-term capital and a requirement for overseas borrowers to place deposits at low interest at their central bank. It also proposed broader controls on currency deals that were not related to trade.

Other officials at the meeting questioned whether another international body would really be necessary or able to accomplish much.

"The International Monetary Fund and Bank for International Settlements already overlook the flow of funds and the gathering of statistics," an official of

one Southeast Asian central bank said.

Mr. Saito of the IMF said the two main lessons to be learned from the crisis were that countries should keep flexibility in their foreign exchange and interest rate regimes as well as act promptly and forcefully once a crisis of confidence occurs.

A regional response to the current crisis would not be so important as a restructuring of the global financial system, Mr. Saito said.

He added that such a restructuring would consist of increased collection and dissemination of data along with international standards for financial auditing and bankruptcy laws, measures that Asian nations have already started to undertake.

Ever since the economic crisis began last July, Asia's leaders have, with limited success, tried to mold a regional response.

The only concrete result of these efforts was the so-called Manila framework, signed in November by key Asian nations and their trading partners.

Among other items, the framework emphasized the prominent role of the IMF in arranging assistance to troubled economies, dealing a blow to plans by Japan and Malaysia to set up a bailout fund, based and run in Asia.

## PAL Fires 5,000 In Bid to Survive

Reuters

**MANILA** — Philippine Airlines Inc. dismissed thousands of employees on Monday as part of a survival plan, saying it had been brought to its knees by a pilots' strike.

About 5,000 of the airline's more than 13,000 employees were dismissed.

The financially troubled airline, whose long-term debts amounted to nearly 10 billion pesos (\$250 million) as of March, also blamed an 11-day pilots' strike for plunging the airline into a deeper hole.

The airline said it had lost more than 2 billion pesos since the 620 members of the Airline Pilots Association of the Philippines walked out June 5. In the fiscal year ended in March, the airline lost more than 8 billion pesos, the largest loss in a single year in the company's 57-year history, it said.

The airline, majority owned by Lucio Tan, the tobacco magnate, and 23 percent owned by the government, had already dismissed all the striking pilots except for a little more than a dozen who had agreed to return to work.

## ASIA: Falling Yen Stirs Devaluation Fears

Continued from Page 1

The tumbling markets brought sharply into focus the enormity of Asia's financial meltdown, with the region in the midst of a deep and prolonged recession that could eventually affect growth across the world. Until recently, economists and analysts were predicting that East Asia could see an economic turnaround by year's end, but now most concede that most economies are likely to contract at least for the next 12 months, and even longer in some cases.

Moreover, economists are saying openly what many long suspected — that the region's troubles are structural in nature, and traditional remedies, like improved growth through cheaper exports, may no longer apply.

"I don't think that the Asian exports will pick up dramatically despite the devaluations these countries have had," said Marc Faber, Hong Kong-based fund manager, whose past pessimistic projections have earned him the sobriquet "Dr. Doom." The bubble has been deflated in Asia. The Asian crisis will end in a lengthy recession.

"The problem with this situation is we have a dynamic process feeding on itself," said Simon Ogus, an economist with SBC Warburg Dillon Read. "You've got a multiple contraction of trade flows, investment flows. You've

got Japan deteriorating as well." He said, "I think there was far too much belief that this is a cyclical problem. I don't think we've seen the worst quarter yet."

Eugene Galbraith of the Dutch banking ABN-AMRO Holding NV, said that they were all expecting a second round of devaluations, which had not yet come. "What we're expecting is something that is going to be determined by the velocity of the move of the yen against the U.S. dollar. From the point of view of Hong Kong, the question is: what will be the response of the Chinese government?" He added if the yen moved to lower levels, "will China be forced to do something about its own currency?"

Chinese officials have repeatedly insisted that they have no intention to devalue the yuan. But regional analysts and fund managers pointed to several subtle signs that they said indicated Beijing's currency resolve may be shifting.

For one, China's leading financial newspapers Monday carried articles sharply criticizing Japan and the United States for the yen's continued slide against the dollar, and mentioning the increased "pressure" on the yuan.

The most recent trade statistics from Beijing showed China's export performance fell last month, further fueling speculation that a yuan devaluation may be imminent. Exports fell 1.5 percent in May compared with a year ago.

## MAZDA: With a Bow to Shintoism, Ford Executives Gently Take Reins at Carmaker

Continued from Page 1

Mr. Miller and a dozen or so other Ford executives parachuted into Hiroshima four years ago at the request of Mazda's desperate Japanese bankers. Their mission was to stop Mazda's red ink and falling sales, which were sinking the company. They insisted from day one that they were out to save Mazda — a company in which Ford had a minority interest — and not conquer it.

But the Americans-to-the-rescue scenario was a humiliating blow to Japan's automobile industry — the most visible symbol of the nation's rise from the ashes of World War II into an industrial power.

Although the Ford-Mazda story is far from over, the initial results are positive. For the fiscal year ended March 31, Mazda's market share rose and its costs fell. Its operating profit swung into the black for the first time in five years. Its net loss shrank sharply, and Mazda says it expects to show a net profit this fiscal year.

On its way to these encouraging results, the Ford executives have struggled to make American management techniques fit Japanese culture. For instance, early on, some Japanese competitors confidently predicted that the straightforward American style of operating would offend Japanese suppliers and employees because it would seem too harsh to Japanese, who are used to an indirect way of communicating. Some Japanese executives do express concern at the way foreign executives tear into one another's ideas at management brainstorming sessions. But many Mazda suppliers and union officials say they have come to like the Ford team's straight-talking style.

"They are easier to understand. They always make their intentions clear," unlike their Japanese predecessors, said Shunsuke Yamaguchi,

an official of a Mazda suppliers association.

The basic lesson of Ford's four-year experiment is that cross-border ventures can work if the partners clearly explain their objectives, have similar goals and understand the key cultural taboos that cannot be breached.

When the Ford team arrived in 1994, anxieties ran deep in Mazda, a proud, conservative company that was producing trucks before World War II, and in Hiroshima, a city south-west of Tokyo that was flattened by the atomic bomb. Hiroshima considered itself a company town. A vast array of large and small businesses here depend on work from Mazda.

Rumors raced through the town: The foreigners planned to trash Japan's hallowed seniority system, or dismantle Mazda's network of business relationships for a more American business structure.

Those rumors intensified in 1996, when Ford increased its 25 percent stake in Mazda to one-third and took management control. The Japanese feared that Mazda would be transformed into a company of English speakers and widespread layoffs would occur, that the hard-nosed foreign executives would drop family-run Hiroshima suppliers and replace them with cheaper overseas competitors.

With Mazda's vehicle production in Japan dropping — it fell in 1995 to a dismal 772,000 from a 1990 peak of 1.4 million — worries spread that Ford's real intention was to turn Mazda into a Ford subsidiary and get rid of the Mazda brand name.

So far, none of those things has come to pass.

Gary Hexter, a senior managing director at Mazda, was one of the Ford executives who moved here four years ago. The Australian says he and his wife love living here and have

made numerous Japanese friends.

Mr. Hexter said the Ford team immediately agreed with Mazda and its bankers that the first problem to tackle was Mazda's serious financial problems — which had created several years of negative cash flow.

In Japan, the traditional way of cutting costs is to try to eke more savings out of the manufacturing process, by shaving expenses and speeding up the processes. That effort continued, but the Ford team decided it would not be enough.

So they opted to change the entire way that new products were selected and priced.

Mazda used to pride itself on being a company run by engineers, who would toil away in labs developing stunning new products. Prices for new vehicles would be set by adding up costs, plus some profits, and then introduced to the public.

During Japan's go-go years of the 1980s, that worked fine, and Mazda's superb technology won a loyal overseas following. But the strong yen in the mid-1990s made Mazda's cars too expensive to be competitive overseas, and the bursting of Japan's bubble economy in the '90s hurt domestic sales. These blows came just as Mazda was completing a rapid and ill-conceived expansion, saddling it with enormous debt.

The Ford team first decided to introduce Mazda to Western-style market research. Asian executives often pride themselves on making critical decisions on intuition, and market research doesn't play the same role as in the United States.

The Ford team hired consultants to survey consumers and find out what they wanted. They then targeted specific segments of consumers, asking them what they would pay for cars with these features. They also determined what competitors were char-

ging for comparable cars. These prices were used to determine how much could be spent building the new models.

For Mazda engineers, this was quite a change. When an engineer in charge of redesigning a new Capella wagon suggested that it be two inches longer, raising production costs by \$7 million, Mr. Hexter asked him why. The engineer replied that he wanted a more spacious back seat.

But Ford executives first wanted proof that consumers would be willing to pay a higher price for such a car. Three consumer surveys all reached the same conclusion — given the choice, consumers preferred the roomier back seat and would be willing to pay the higher price for it. The engineer got the go-ahead, and the car has been a success.

The Ford team tried to impose similar discipline on its suppliers, and to gently break the news to them that Mazda needed to buy more of its supplies from overseas. It was part of Ford's strategy for cutting costs and protecting against a sharp strengthening of the yen.

Mazda's supplier structure was a classic Japanese business group, or *keiretsu*, that included hundreds of companies dedicated almost solely to producing parts for Mazda cars.

The Ford-Mazda team spent long hours explaining why this relationship needed to change, and helping suppliers draw up strategies for cutting costs. They also encouraged suppliers to diversify into nonautomobile businesses and to seek business from other car companies.

The result: Mazda will buy 22 percent of its parts from overseas, about four times the current proportion.

"These changes would have come sooner or later for us," said Hiroshi Takeshita, president of Takeshita, a company here that produces transmission parts.

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INTERNATIONAL

## Israel's Slide Dims 50th Anniversary

### Stagnation in Peace Talks Compounds an Economic Slowdown

**Reuters**  
JERUSALEM — It was supposed to be a festive 50th anniversary year in Israel, but an economic slump has put a damper on the party.  
"Everything is quite depressing," said Lea Cohen, a taxi driver in Tel Aviv, whose main profession is tour guide. Pointing to a picture of her children on the dashboard, she said: "I do this for them."  
A few years back, the economy was booming, with growth in the early 1990s of 5 percent to 6 percent a year. Immigrants from the former Soviet Union swelled the population by 25 percent. Industrial output was high. Housing activity was strong and the government invested heavily in the economy.  
"Other factors helped as well. The Middle East peace process largely eased the Arab boycott against business with the Jewish state, opening new markets such as Asia. Per capita gross domestic product swelled to \$17,000."  
Now, some economists deem the Israeli economy to be in a recession, even though the statistics do not quite meet the definition of two consecutive quarters of negative growth.  
In the first quarter of 1998, gross domestic product grew at a 0.3 percent annual rate, following 0.4 percent growth in the fourth quarter of 1997. The economy grew at a 1.9 percent pace in 1997, well below the 4.6 percent

growth rate in 1996. Forecasters see 1998 growth at 1.5 percent.  
"The Israeli economy is doing very badly according to its potential," said Ygal Sebban, economist at Koor Futures Markets, echoing the thoughts of others who think Israel's potential is GDP growth above 4 percent.  
Israelis put much of the blame for the slowdown squarely on Prime Minister Benjamin Netanyahu's government. In its two years in office, Mr. Netanyahu's administration has slashed spending and slowed the peace process to a point where critics say consumer and business confidence has been eroded.  
Tourism still has not recovered fully from a wave of suicide bombings by Islamic militants in 1996. The number of visitors to Israel dropped 15 percent in 1997 and is down 13 percent so far this year.  
Economists said problems over peacekeeping and very tight fiscal policies have hurt the economy but a strong shekel, restrictive monetary policy, low productivity, slowing immigration and structural changes have damaged it even more.  
Not helping matters is an 8.4 percent unemployment rate — up two percentage points over the past two years — that is expected to continue rising throughout the year.  
Financial problems in Japan and southeast Asia have further dampened

## AMP Shares Soar at Start

**Reuters**  
SYDNEY — AMP Ltd., Australia's biggest insurer and fund manager, made a spectacular stock-market debut Monday, opening on the Sydney Stock Exchange at a price double that estimated by the company only a day earlier.  
The sudden price increase made AMP Australia's fourth largest publicly traded entity, with a market capitalization of 24.7 billion Australian dollars (\$14.6 billion), behind News Corp., National Australia Bank Ltd. and Broken Hill Pty.  
Share of AMP opened at 35.98 dollars each and spiraled up to 45 dollars. They soon settled back down and closed at 23 dollars, 43.8 percent above the base price of 16 dollars the company had set Sunday.  
AMP has more than \$88 billion in funds under management worldwide. It owns the Pearl Insurance group and the Henderson fund management group, both of Britain.  
More than 200,000 of AMP's 1.7 million shareholders in Australia, New Zealand and Britain sold 149 million shares into the float, generating an immediate windfall profit from the demutualized group of about 2.9 billion dollars.

## Former Yamaichi Workers Learn the Merrill Method

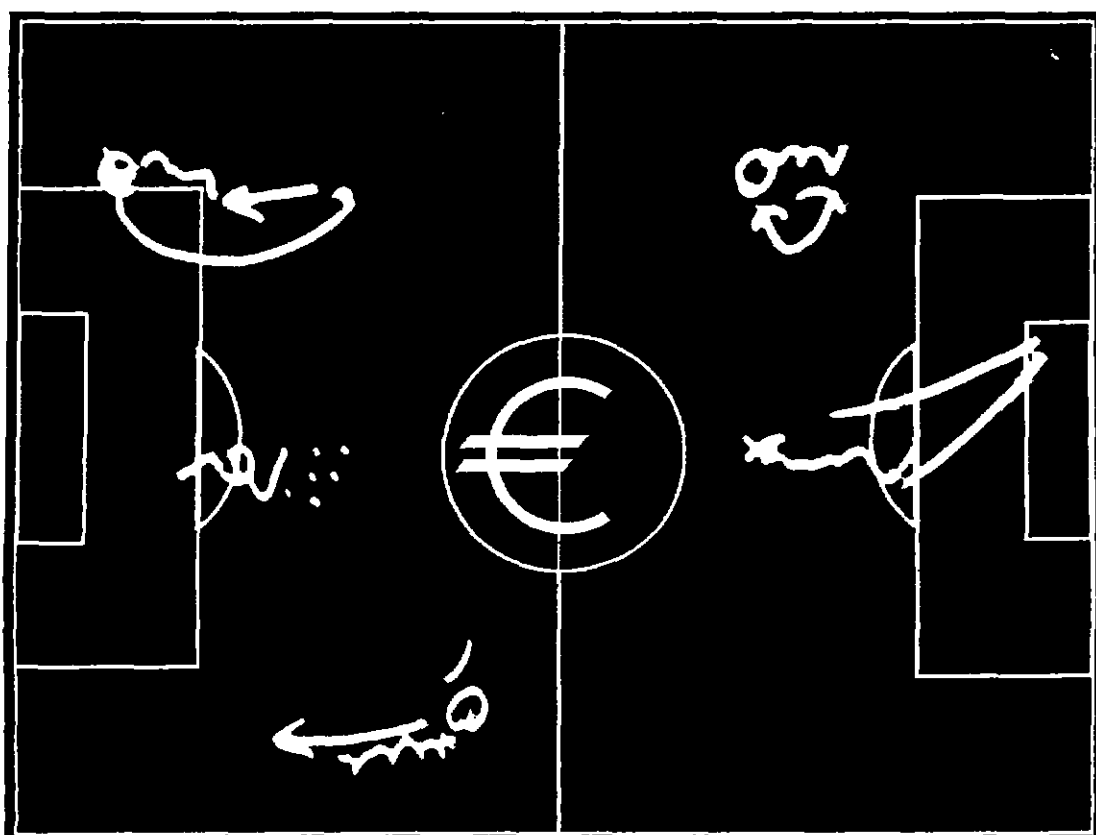
**Reuters**  
FUKUOKA, Japan — Cath Perrone, a specialist at Merrill Lynch & Co. who trains new recruits, is beaming. It could not be going any better.  
Sitting on a stage at a research center about 45 minutes north of Tokyo, Mrs. Perrone is listening to one of her students run through a role-playing exercise.  
The student, Kazuyo Gomiya, is one of 2,000 former Yamaichi Securities Co. employees who will staff Merrill's foray into Japanese retail broking.  
"Mrs. Suzuki, if you have the time, I'd like to show you a couple of investment options that I think will help you reach your goals," Miss Gomiya says. "That's what we at Yama..."  
A hundred students laugh.  
"Excuse me," Miss Gomiya says, quickly recovering her poise. "Merrill Lynch."  
No big deal, said Mrs. Perrone of the mix-up. After all, her student had learned the key elements — the focus on client needs, the emphasis on service — that Merrill is betting will set it apart in a country where stock brokerages have been plagued by scandals.  
In February, Merrill announced plans to create a new 30-branch domestic retail-brokerage business, hiring 2,000 employees from the failed Yamaichi Securities. Merrill, like many other foreign brokerages, hopes to tap Japan's

estimated \$12 trillion in personal savings as Japan's "Big Bang" financial reforms offer savers a wider choice of investment options at higher returns than Japan's rock-bottom interest rates provide.  
Most of the staff at Merrill Lynch Securities Japan, the name the new brokerage will operate under when it opens in July, have worked at Yamaichi, a paragon of Japan's paternalistic, centralized, bureaucratic securities industry until its demise in November.  
"We're asking them to do things they've never had to do before," Mrs. Perrone said.  
That is especially true for former "counter ladies" such as Miss Gomiya, whose duties at Yamaichi were restricted to serving tea, filing papers and smiling at clients.  
As Merrill Lynch financial assistants, these employees will be expected to be familiar with all Merrill products and capable of offering advice to clients.  
That, in turn, means hard days at a weeklong training seminar in Fukuoka.  
But the women in the class say it is worth the trouble.  
"Before we didn't have the tools to help the client," said Tamami Abe, 33, an 11-year Yamaichi veteran. "We know we have to change our conception 180 degrees to make this work."

## Half-Century Hurrah For the Deutsche Mark

**Reuters**  
FULDALAT-ROTHWESTEN, Germany — Germany kicked off a week of ceremonies Monday to celebrate the 50th anniversary of the Deutsche mark amid a bout of soul-searching over the trading in of its beloved national currency for the euro.  
Created on June 20, 1948, the Deutsche mark laid the foundation for West Germany's Wirtschaftswunder, the economic miracle that transformed a land shattered by hyperinflation in the 1920s and defeat in World War II into Europe's export powerhouse.  
"The currency has become, along with the soccer team now vying for World Cup glory in France, the national symbol, with which Germany's 80 million people identify most strongly."  
Returning to the U.S. Army base where two months of talks on creating the Deutsche mark were held with the Allied powers, the president of the Bundesbank, Hans Tietmeyer, sought to analyze what had made the mark into such a success story.  
"Ultimately, it is people's experience," he said. "The experience that a well-run currency can create a successful economy. And the experience that widespread prosperity can only begin with stable money."  
The mark was created before Germany had a national government, and it effectively sealed the division of the country into the Eastern and Western halves that would remain until reunification in 1990.  
The Soviet military government introduced the D-Mark Ost in the Eastern zone on June 23, 1948.  
After citizens in the West each received 40 new marks in exchange for 60 worthless

Reichsmarks, shop windows suddenly filled with goods and economic activity started to pick up.  
Within 10 years of its creation the Deutsche mark had become fully convertible, and it steadily gained in value on international exchanges. By the 1980s it had become the world's second reserve currency after the U.S. dollar.  
"People often say that the stability culture of the Germans is based on the traumatic experience of inflation. That's true," Mr. Tietmeyer said.  
"But the stability culture is based equally on the positive and encouraging experience of what good money can achieve," he added. "The D-mark is proof of that, and it symbolizes postwar Germany."  
But the currency became a victim of its own success. In 1991, France and other European Union countries that felt their monetary policy was being dictated by the Bundesbank persuaded Chancellor Helmut Kohl to opt for monetary union at the Maastricht summit meeting.  
Mr. Kohl has been unflinching in his support of the euro despite the skepticism of as many as two-thirds of Germans.  
He said recently that those predicting the euro's failure would be proven wrong just as the critics of the Deutsche mark had been in 1948.  
"We want the D-mark's success story to continue with the euro," Mr. Kohl said.  
Mr. Tietmeyer said he hoped that the new European Central Bank, modeled on the Bundesbank and based in Frankfurt, would be able to build on the achievements of the Deutsche mark.  
"I hope and wish that the European Central Bank and responsible politicians will interpret this legacy as their task," he said.



# Mergers, acquisitions and the Euro. A radical new gameplan is needed.

## Telecom Italia Heads For Power Showdown

**Bloomberg News**  
ROME — Telecom Italia SpA is headed for a showdown Tuesday over who will run the company, the world's sixth-largest telecommunications provider — its forceful chairman of six months, or the chief of its fastest-growing and most profitable division.  
Vito Gamberale, one of Telecom Italia's three directors-general and chairman of Telecom Italia Mobile SpA, has said he would quit unless the company's executive committee agreed to reduce the powers of Gian Mario Rossignolo, the chairman, when it meets Tuesday before its shareholders' meeting in Turin. Investors, though, are placing their bets on Mr. Rossignolo.  
The tussle is the latest turn in the fight for control of Telecom Italia since the state eight months ago sold its 45 percent stake in the company to private investors, including 15 million Italian individual investors.  
The conflict also comes as competition in Italy's 50 trillion lire (\$28.1 billion) telecommunications market revs up.  
Mr. Gamberale demanded Friday in a letter addressed to Mr. Rossignolo a re-definition of his role and powers, a

spokesman said. If no action is taken, he said he would leave Telecom Italia, while staying on at Telecom Italia Mobile.  
In January, Telecom Italia's new owners, led by Ifil SpA, the investment company of Fiat SpA, recruited Mr. Rossignolo, who on his appointment as chairman, introduced himself to the press saying, "I am an executive chairman, a very powerful executive chairman."  
Mr. Rossignolo brought in Mr. Gamberale and his two colleagues, Francesco De Leo and Fulvio Conti, after firing the Treasury-appointed Chief Executive Tommaso Tommasi di Vignano, in the first of a series of management shakeups that has rocked Telecom Italia management since he took over.  
At the annual meeting, investors will be asked to renew Mr. Rossignolo's mandate after six stormy months at the helm. Telecom Italia shares ended unchanged at 13,200 lire.  
Investors said they expected Mr. Rossignolo to win the tussle with Mr. Gamberale, though they say ultimately it will lead to the recruitment of a replacement for Mr. Tommasi, with a corresponding pullback of the chairman's powers.

The Euro. It's already accelerating the pace of change and increasing the magnitude of M&A in Europe. Along with globalisation it is causing business leaders to realise that success in their national markets may no longer be enough. Strength in the future will often stem

from strength across Euroland. Strategies have to change. Goldman Sachs is the world leader\* for M&A advice and, across much of Europe, we are top of the league tables.\*\* Goldman Sachs helps companies develop their competitive edge to win on the new playing field.

GLOBAL KNOWLEDGE FOR A GLOBAL CURRENCY.

**Goldman Sachs**

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WORLD ROUNDUP

Wimbledon Seeds  
Low-Ranked Graf

**TENNIS** Andre Agassi and Steffi Graf, both former champions, were the main beneficiaries Monday when the seedings for Wimbledon were announced.

Agassi, the 1992 champion, was seeded No. 13 — six spots above his world ranking of 19.

Graf, the seven-time champion who has dropped to No. 91 while recovering from injury, was seeded No. 4.

Wimbledon is the only of the four Grand Slam tournaments that reserves the right to deviate from the world rankings in its seedings. Nevertheless the No. 1 players in the men's and women's rankings — Peter Sampras and Martina Hingis — were both seeded No. 1.

The All England Club takes into account a player's grass-court expertise and past record at Wimbledon in determining the 16 men's and women's seeds. (AP)

• The DFS grass-court tournament was abandoned Monday after driving rain soaked the courts in Birmingham, England.

The four semifinals, three of whom were to play Tuesday in a grass-court event in Eastbourne, England, rejected an offer to finish the event on indoor courts.

Heavy rain stopped play Sunday after Nathalie Tauziat of France, seeded No. 3, took a 3-0 lead over top-seeded Steffi Graf of Germany in the first set. The other semifinal, between Elena Likhovtseva of Russia and Yayuk Basuki of Indonesia, did not start.

Heavy rain plagued the tournament for most of last week, causing matches to be postponed. The finals were originally set for Sunday. (AP)

Hayes Wins Buick Classic

**GOLF** J. P. Hayes earned his first career PGA Tour victory and \$324,000 with a birdie on the first playoff hole with Jim Furyk at the train-shortened Buick Classic in Westchester, New York.

Both golfers started the final round tied for the lead at 9-under. Both also shot 3-under-par 68s to finish at 201 in the 54-hole tournament. (AP)

# Bulls and Jordan Soar Over Jazz to 6th NBA Title

## No. 23 Scripts Dramatic Ending

By Ric Bucher  
Washington Post Service

**SALT LAKE CITY** — If Michael Jordan had indeed played his final National Basketball Association game, he goes out as the undisputed crunch-time, pure-money player of all time.

Exhausted from carrying the load most of the game because sidekick Scottie Pippen was ailing, Jordan made three monstrous last-minute plays Sunday to

### NBA FINALS

clinch a third straight championship for the Chicago Bulls, who won the game, 87-86, and the series four games to two.

Perhaps NBA Commissioner David Stern said it best when he awarded Jordan both the most valuable player and championship trophies. "You grace us with your presence and tonight gave us one of the singular performances in the history of the NBA," Stern said.

Jordan scored Chicago's last 8 points for a total of 45, including the game-winning jumper from the top of the key with 5.2 seconds left. With Bryon Russell guarding him, Jordan drove hard toward the basket and forced Russell to stumble backward.

Jordan then pulled up and let it fly, leaving his hand aloft for several seconds after the ball fell cleanly through the net.

"I let the time tick until I felt I had the court right where I wanted to," Jordan said. "As soon as Russell reached, he gave me a clear lane. Once it went in, I felt we had been hanging around long enough, this was the game-winning basket."

After a Jazz timeout, Utah went to point guard John Stockton, but his three-point shot off a high pick by Karl Malone hit the front of the rim, glanced off the backboard and bounced away as the Bulls' reserves erupted in jubilation.

The greatness of Jordan's performance was heightened by the fact that it overcame an equally strong effort by Malone, who finished with 31 points, 11 rebounds and 7 assists, and a clutch shot by Stockton, whose three-point shot broke an 83-83 tie with 41.9 seconds left.

But Jordan needed less than five seconds to score on a driving layup around Russell, cutting the gap to one. The Jazz then went to Malone, but Jordan slapped the ball out of his hands

NBA FINALS											
CHICAGO 87, UTAH 86											
	Min	FG	FT	3-P	Reb	Ass	Stk	Pts	Min	FG	FT
Pippen	36	4-7	0-0	0-0	4	2	1	8	36	4-7	0-0
Rodman	37	3-5	2-2	0-0	1	2	1	8	37	3-5	2-2
Langley	14	0-1	0-0	0-0	0	0	0	0	14	0-1	0-0
Jordan	44	15-25	12-15	6-11	2	4	5	48	44	15-25	12-15
Koppe	29	3-4	2-2	0-0	3	2	1	8	29	3-4	2-2
Rodman	39	3-3	1-2	0-0	1	1	1	7	39	3-3	1-2
Bumal	10	0-1	0-0	0-0	0	0	0	0	10	0-1	0-0
Washington	4	1-1	0-0	0-0	1	1	1	2	4	1-1	0-0
Kerr	24	0-4	0-0	0-0	3	3	0	0	24	0-4	0-0
Buechler	8	1-1	0-0	0-0	1	1	1	2	8	1-1	0-0
Tubbs	30	3-4	2-2	0-0	1	1	1	8	30	3-4	2-2
Chicago	22	22-44	15-19	5-12	17	23	8	87	22	22-44	15-19
Utah	25	24	17	2	26	8	4	86	25	24	17

3-Point Shooters: Chicago 4-10 (Jordan 3-7, Stockton 1-2, Harper 0-1, Utah 2-10 (Hornacek 1-3, Stockton 1-4, Morris 0-1, Russell 0-2, Techawich 1-3, Chicago 1-4, Utah 0-2, Utah coach Sloan.

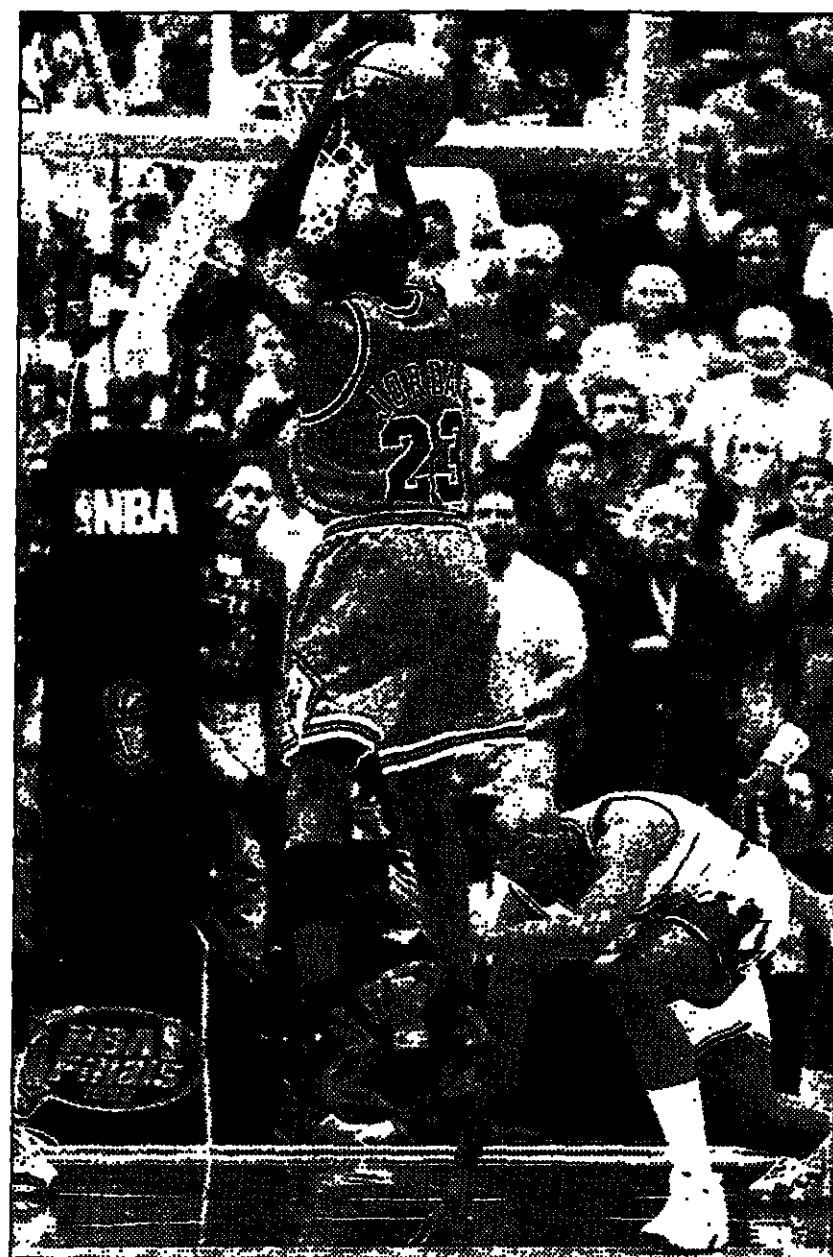
Chicago was series 4-2.

and then snatched it from between Malone's feet with 18.8 seconds left. Pippen also went a long way toward erasing his reputation for disappearing in the clutch as often as Jordan dominates it, fighting off a sore back to play 26 minutes, including 10 minutes in the fourth quarter, contributing eight points, three rebounds and four assists.

He attributed the back injury to taking five charges in a Game 3 victory last Sunday and, after receiving a cortisone shot Saturday to ease the pain, reinjuring it on the game's first play, his uncontested dunk.

"I never doubted myself," Jordan said. "I never doubted the whole game. We were hanging too close. Scottie Pippen is hurt, Dennis Rodman and everybody is in foul trouble, and they never burst out and left us standing. We kept hanging in there. I knew we were going to have an opportunity to win this game, and I wanted to be able to do that from an offensive standpoint."

After Pippen headed to the locker room in the first quarter with the Bulls leading, 17-8, the Jazz took advantage of his absence to close the period with a 17-5 run for a 25-22 lead, but they never pulled away because Jordan repeatedly put on the brakes, scoring 18 of his 23



Michael Jordan shooting the winning basket as Byron Russell stumbled.

first-half points with Pippen in the locker room, including 3 of 6 three-pointers.

"It's bittersweet in the sense that it was the toughest route, toughest challenge in the six championships that we've won," said Jordan. "If and when that time comes where I've got to walk away, I hope that because I walked away

no one will look at me any less. Hopefully I've put enough memories out there for everybody to at least have some thoughts about what Michael Jordan did in his 14 years. I have another life and I know I have to get to it at some point in time. And hopefully the fans and the people understand that."

## Still Flying Solo, His Airness Extends Reign

By Harvey Araton  
New York Times Service

**SALT LAKE CITY** — It might have been the end, but it looked suspiciously like the beginning. Michael Jordan against the world, a celebrated solo act. Even with his odds reduced by age, this wasn't the place, or the time, for Jordan to surrender pro basketball supremacy to a couple of reticent stars who only come out to play. He willed it that way.

He stripped the ball from noble Karl Malone in the post, then stole the championship hopes of the Utah Jazz. A

### VANTAGE POINT

pullup jump shot nailed down the Chicago Bulls' sixth title of the 1990s Sunday night at the Delta Center.

Another season ended, another championship won, as if it were scripted by the writers of Jordan's television commercials.

Last year, it was a flu-ridden Jordan rising out of a sick bed to carry the Bulls in the game they had to win in Salt Lake City. This time, it was Jordan, at 35 not the high flier he once was, lifting himself and his team after Scottie Pippen turned up seriously impaired with an injured back.

The Jazz had the Bulls right where they wanted them Sunday night, and they let them get away. Utah was a fine challenger, but not a champion.

The Jazz could not put enough distance between themselves and the Bulls while Pippen was being worked on in the locker room, could not hold leads in the second half, could not execute its half-court offense when Jordan was lurking, waiting for the chance to strike, deep into the game.

"A tough bunch," Jordan graciously called the Jazz. But not tough enough for him. Chicago can breathe easy and begin calling for more, and David Stern can resume hoping that a more ratings-friendly team than the Jazz will step up or grow up to carry the torch and the National Basketball Association.

In Chicago, the owner, Jerry Reinsdorf will turn into Al Capone if he doesn't come up with about \$80 million to underwrite his current roster for another go-round. No one asks why CEO Jordan can't take \$10 million less so Pippen can get fair market value, and no one contemplates the impact on the sport's smaller markets as the larger ones push salaries to further heights.

That's what this summer's collective bargaining showdown will be about, how viable an auto dealer entrepreneur such as the Utah owner, Larry Miller, will be in the coming years. How many more Stocktons and Malones are out there, relishing the thought of getting away from the big-market glitz?

This is Commissioner Stern's delicate balancing act of wanting his big-ticket teams to produce the ratings the league can count on this spring without reaching the point where too many franchises become the Montreal Expos of basketball. How to maintain national — no, Stern would say global — interest over the course of a playoff season that is the equivalent of four consecutive Olympics.

The big U.S. television ratings were being notched courtesy of the Jordan epic, the possibility of its conclusion, the drama heightening Sunday night, with Pippen out and the Jazz pulling ahead.

When Jordan exploded for 15 second-quarter points and a 23-point first half in a shoot-out with Malone that kept the crippled Bulls close, you knew he had enough ego to believe he still had enough left to win. You just wondered if he had enough legs.

Late in the first half, as Jordan twice ignored Kasey and hoisted 3-pointers, another thought came to mind. Jordan obviously was leaving this game to no one, taking himself all the way back to the mid 1980s, trying to win something all by himself.

People always pointed out that he never won a playoff game before Pippen came along, when he was a one-man team.

He won the game Sunday night. The title. The repeat threepoint, giving him one more championship in the modern era than Magic Johnson.

He stands alone. If this is the end, then Jordan Sunday night closed a circle of greatness.

# Despite 3 More Home Runs, Mariners Are Sunk Again by Bullpen

The Associated Press

**OAKLAND, California** — Russ Davis, the Seattle third baseman, made a costly throwing error in the 10th inning and the Mariners' shaky bullpen again failed to hold a lead as the team went down, 4-3, at Oakland.

David Segui, Alex Rodriguez and

### BASEBALL ROUNDUP

Glennallen Hill hit home runs for the Mariners, increasing the team's major league-leading total to 112, but they weren't enough to overcome the besieged bullpen.

It allowed Oakland to come from three runs down to even the score in the bottom of the seventh.

Heathcliff Slocumb issued a leadoff

walk to Scott Spiezio in the 10th, and Ben Grieve followed with a single. Matt Stairs then flied out to right, advancing Spiezio to third.

Mike Blowers grounded sharply to third, and Davis bobbled the ball and had no play on Spiezio at home.

**Red Sox 3, Devil Rays 2** Troy O'Leary continued his recent surge, grounding a one-out single down the first-base line to score the winning run in the 10th inning and give Boston victory over Tampa Bay. It was O'Leary's sixth consecutive two-hit game.

**Rangers 4, Angels 2** Rick Helling pitched eight strong innings and Mike Simms homered and drove in three runs as host Texas stopped its three-game losing streak.

**Twins 2, White Sox 1** LaTroy Hawkins

pitched seven effective innings and, despite getting little run support, led Minnesota over Chicago at the Metrodome.

**Blue Jays 7, Orioles 4** Ed Sprague hit a three-run homer and Roger Clemens struggled for his seventh victory as Toronto beat visiting Baltimore.

Clemens (7-6) allowed four runs on six hits and five walks in 5 1/2 innings. Randy Myers pitched the ninth for his 18th save.

**In the National League:**  
**Cardinals 2, Diamondbacks 0** Royce Clayton singled twice and scored after each hit and Mark Pekovsek pitched five strong innings and drove in a run for St. Louis.

**Padres 3, Giants 2** Quilvio Vera ended a 500 at-bat homeless drought with a solo shot in the sixth inning as San Diego

won its seventh straight and handed San Francisco its fourth consecutive loss.

**Rockies 3, Dodgers 2** Todd Helton hit a two-run single after a throwing error by reliever Scott Radinsky in the 12th inning.

**Mariners 5, Mets 4** Todd Zeile singled home the winning run with two outs in the bottom of the ninth as Florida, shut out for six innings by Hideo Nomo, rallied against New York's bullpen.

**In games reported in late editions Monday:**

**Phillies 4, Cubs 2** In Philadelphia, Carlton Loewer struck out eight as he won his first major league game.

**Braves 5, Expos 1** Kevin Millwood pitched a four-hitter and Bobby Cox tied Frank Selee as the winningest manager in Braves history.

Cox's record during two stints as Braves manager improved to 1,004-819. Selee won 1,004 games from 1890-1901 when the Braves were in their original city, Boston.

**Pirates 7, Brewers 2** Mark Smith, Aramis Ramirez and Kevin Young homered in the first three innings as Pittsburgh beat Milwaukee.

**Astros 6, Reds 3** Houston tied the game with two runs in the ninth and won it with three more in the 10th.

**Royals 2, Tigers 0** Glendon Rusch scattered seven hits in his first major league shutout as Kansas City won at home.

**Yankees 4, Indians 2** The Yankees tied a major league record by playing their 24th straight series and not losing any of them.

# In Post-Cancer Career, Armstrong Beats the Odds and Wins Race

By Samuel Abt  
International Herald Tribune

**PARIS** — Lance Armstrong had his schedule worked out precisely: finish the Tour of Luxembourg, drive for about an hour and a half from that country to the French city of Metz and catch the last plane to Spain for his next bicycle race.

He missed the plane, though. What he forgot to factor in was the time needed for the ceremony — bouquet, kisses, handshakes, photographs — and the drug test that accompanied a victory.

"I won!" Armstrong said excitedly by phone late Sunday. "It worked out. Oh, it feels great."

"His ebullience after the four-day Tour of Luxembourg was understandable. The 26-year-old Texan has won some big bicycle races before, including the world championship, two stages of the Tour de France and a World Cup classic

in Spain, but that happened in what he refers to as his prior career. That was the one before he was diagnosed with testicular cancer in the fall of 1996 and had to undergo 12 weeks of chemotherapy and then a year away from competition.

The result in Luxembourg, including a victory in the opening daily stage, was his first triumph in top-level competition in nearly two years. "It means something, it does, it does," he said.

Against broad expectations, Armstrong returned to competition for his new team, U.S. Postal Service, in February and finished a fine 15th in his first race, the Ruta del Sol in Spain. A month later, before the start of the Paris-Nice race, he explained his comeback.

"I'm not here for myself," he said. "I'm not here for the sport, I'm not here to promote cycling in America. I'm here for the cancer community. Bottom line. If it wasn't for them and the big question

mark that was put on me and the doubt that was put in me, I wouldn't have come back."

"I think there's a lot to prove for a person that's been sick, that's been treated, that's recovering. I'm trying to prove it can be done. It's never been attempted in an endurance-intense sport like cycling. Most people said it couldn't be done."

He added: "I have proven to myself and the cancer community that I can be competitive again? In a lot of ways, I've already done that at the Ruta del Sol. I am almost spot now. I set out to do what I want to do and I was a lot closer to packing it in after Ruta del Sol than many people think. Just because I proved it."

Two days later, he did pack it in. During a tirade in a rainy and cold Paris-Nice, he dropped out and returned almost immediately to his home in Austin, Texas. He gave no explanation. "I

think I've worked out a lot of things" in the three months since, Armstrong said from Metz. During the spring he resumed training, helped organize a mass ride to benefit his cancer foundation, was married and resumed racing in the United States with some credible results.

"That doesn't really count," he said of the American races. "This is a completely different level."

"I'm happier this time around. This feels more right or however I can say it this feels better than in February. Before Paris-Nice, I thought I could just leave at that point and I did end up leaving. I don't have that feeling now."

He was unable to rank his latest victory among the other milestones in his career, he continued. "It's a different satisfaction. I don't think I can compare this to anything I did in my prior career."

"It feels like a second career and the

engine feels like a second engine. My body feels different. But I have returned."

Armstrong will ride next in the Tour of Valencia, followed by a race in Germany before he returns to the United States on July 3. "I'm racing 19 days out of the 23 I'll be here." Although there will be no exhausting three-week Tour de France for him, he plans to come back to Europe for the one-day classics of August.

He would make no predictions about his results in the rest of his season. "I've won this race, but it's not as if I go to Spain and expect to win there."

So there was no point in wishing him well and hoping that the victory in Luxembourg was the first of many more?

"I won't say I don't hope so too," he replied. "But if it's not, it's not. Today has been great, but I've got to take everything in stride. I just want to go one day at a time."

## SCOREBOARD

### BASEBALL

#### MAJOR LEAGUE STANDINGS

AMERICAN LEAGUE				NATIONAL LEAGUE			
Team	W	L	Pct.	Team	W	L	Pct.
New York	47	14	.770	St. Louis	41	25	.618
Boston	39	26	.597	San Francisco	38	28	.574
Tampa Bay	34	34	.500	Los Angeles	37	29	.562
Baltimore	32	36	.471	Colorado	36	30	.545
Texas	27	41	.397	Arizona	22	47	.317
Seattle	27	41	.397	San Diego	22	47	.317
Chicago	27	41	.397	San Francisco	22	47	.317
Minnesota	27	41	.397	Los Angeles	22	47	.317
Kansas City	27	41	.397	Colorado	22	47	.317
Detroit	27	41	.397	Arizona	22	47	.317
Philadelphia	27	41	.397	San Diego	22	47	.317
Atlanta	27	41	.397	San Francisco	22	47	.317
Pittsburgh	27	41	.397	Los Angeles	22	47	.317
Cleveland	27	41	.397	Colorado	22	47	.317
Washington	27	41	.397	Arizona	22	47	.317
St. Louis	27	41	.397	San Diego	22	47	.317
San Francisco	27	41	.397	San Francisco	22	47	.317
Los Angeles	27	41	.397	Los Angeles	22	47	.317
Colorado	27	41	.397	Colorado	22	47	.317
Arizona	27	41	.397	Arizona	22	47	.317
San Diego	27	41	.397	San Diego	22	47	.317
San Francisco	27	41	.397	San Francisco	22	47	.317
Los Angeles	27	41	.397	Los Angeles	22	47	.317
Colorado				Colorado			



**WORLD CUP BRIEFS**

**Tokyo Tunes In**

Even though Japan lost its World Cup debut, the match proved popular back home. Nearly two-thirds of households in Tokyo and its surrounding areas watched Sunday's World Cup soccer match between Japan and Argentina, a TV ratings company said Monday.

Video Research said coverage of Japan's World Cup debut was watched in 60.5 percent of households in the Kanto region, for a total of 9,014,500.

That figure was the sixth-highest rating in the capital region since Video Research began compiling statistics in 1962.

The highest rated sports broadcast ever was the women's volleyball final at the 1964 Tokyo Olympics between Japan and the Soviet Union, which drew 66.8 percent. Japan won that match to take the gold medal. (AP)

**Zubizarreta Has a Fan**

Javier Clemente, the Spanish coach, said Monday that Andoni Zubizarreta, the goalkeeper and captain, would retain his World Cup place against Paraguay.

Zubizarreta was widely blamed in Spain for two of Nigeria's goals in the Africans' 3-2 victory over Spain on Saturday in a match in Group D.

"Zubi is secure," Clemente told Spanish sports daily Marca.

That means Zubizarreta, 36, is likely to win his 125th cap on Friday against Paraguay, a game Spain must win to retain a good chance of qualifying for the second round.

Clemente said Zubizarreta was not being blamed by the rest of the squad for the defeat. (Reuters)

**Asia Draws a Blank**

Yugoslavia's victory over Iran on Sunday meant all four Asian teams — Iran, Saudi Arabia, Japan and South Korea — lost their opening matches.

Four of South America's representatives at the finals remain unbeaten after their first matches. Argentina and Brazil won, Chile and Paraguay drew, while Colombia lost. (Reuters)

**Batistuta Extends Streak**

Gabriel Batistuta, the Argentine striker who scored in his country's last three warm-up matches, continued the sequence with the only goal of the match against Japan and has scored six goals for Argentina in their last four games. (Reuters)

**Soccer Popular in Israel**

Demand for the Viagra anti-impotency drug is dropping in Israel because of the World Cup, an Israeli doctor said Monday.

"The number of men asking me for a prescription has fallen by 40 percent since the World Cup started," said Dr. Alexander Oshanesky, who heads a clinic treating vascular problems. (Reuters)

**A Holiday in Tunisia**

The Tunisian government gave its civil servants the afternoon off Monday to watch their country play England in the World Cup.

A presidential decision gives civil servants two paid afternoons off during the World Cup. The other is for the Colombia-Tunisia match next week. (AP)



Players watching a shot by Alan Shearer, second from right, hit the net to give England the lead against Tunisia.

**Shearer and Scholes Doom Tunisians**

Compiled by Our Staff From Dispatches

MARSEILLE — Alan Shearer scored late in the first half and Paul Scholes tallied late in the second to give England a 2-0 victory over Tunisia on Monday, a game that took place in peaceful sunshine even as fans from the two countries fought with police and each other outside the stadium.

England dominated the game, but nearly all of its quality shots on goal came in the final 15 minutes of the first half. Chokri El Ouairi, the Tunisian goalkeeper, stopped the first three, but Shearer scored on the fourth.

From a free kick to the right of the

penalty box, Graeme Le Saux curled the ball to the Newcastle striker, who flashed a header past El Ouairi and off the left post in the 42d minute.

In the second half, play was largely bogged down in the midfield. But in the

**ENGLAND 2, TUNISIA 0**

89th minute, Paul Ince found Scholes, who curled a 25-meter (82-foot) shot just inside the right post.

England would have won by several goals had El Ouairi not made two one-handed saves shortly before Shearer's strike. First, he palmed Teddy Sher-

ingham's 27-meter volley over the bar in the 36th minute. He then saved again two minutes later when Scholes, unmarked in front of the goal, bounced his header almost straight at him.

Tunisia played a conservative game right from the kickoff, passing the ball around midfield as if trying to run out the clock. Occasionally, there would be a long pass upfield to either Adel Selimi or Ben Slimane, but England's defense prevented any real scoring threat.

"It was a real battle, but the English were more effective," said Henri Kasperczak, the Tunisian coach. (AP, AFP)

**SOCCER: English and Tunisian Fans Turn Violent in Marseille**

Continued from Page 1

According to the police, ten English people were arrested.

Three hours later, there would be more arrests, altercations and injuries at the Prado beach approximately one mile from the stadium, where thousands of fans were watching the match on a giant-screen television. According to witnesses, the trouble at the beach began shortly after Alan Shearer's goal gave England a 1-0 lead in the 43d minute of the match that England would end up winning, 2-0.

"Until then, it was calm," said Maxime Dray, 30, of Marseille who was sitting in the temporary stands. "Before the match, there were English and Tunisian fans playing soccer together on the grass. When the game started, the Tunisian fans went into the stands and the English stayed on the grass. But after Shearer scored, some of the English fans turned around and started taunting the Tunisian supporters."

According to Dray and a friend, Hilde Smet, someone threw a bottle in the direction of the English fans, who quickly retaliated. The opposing fans were soon throwing bottles, cans, rocks and plastic seats at each other.

Dray said thousands of bystanders, including elderly people and parents with young children, were forced to flee.

"A group of English fans charged toward the stands, and there was general panic," Dray said.

Riot police arrived several minutes later and fired tear-gas canisters into the crowd, and as the match at Stade-Vélodrome continued, the acrid smell of the gas soon drifted into the upper reaches of the stadium. The prefecture's spokesperson said 18 people were treated at local hospitals because of injuries suffered during the rioting at the Prado beach.

English clubs were banned from competing in European Cup competition in May 1985 after 39 people died and more than 400 were injured when a wall collapsed at Heysel Stadium in Brussels after rioting by English fans caused panic. The ban was then lifted before the 1990-91 season.

The incidents in Marseille are the most serious involving English fans since 1993 when they clashed with Dutch supporters before a World Cup qualifying match in Rotterdam.

On Monday, Prime Minister Tony Blair of Britain responded to the incidents in the old port by terming the

behavior of the English fans "a total disgrace."

Garth Davies, a 30-year-old from Surrey who attended the match in Marseille wearing an English jersey said: "I'm ashamed to wear the shirt."

Proust said 16 shops and restaurants in the old port were damaged during the incidents on Sunday night. The Marseille police chief, Michel Sappin, said an error had been made by scheduling England's opening game on a Monday because it allowed fans the possibility of arriving on the weekend and making mayhem.

A FIFA spokesman, Keith Cooper, said the schedule had been drawn up two years earlier and could not have been modified. He also said there were no plans to ban England from this World Cup finals.

The French interior minister, Jean-Pierre Chevènement, said extra security measures would be taken for England's next two games in Group G: Monday, June 22, in Toulouse against Romania, and Saturday, June 26, in Lens against Colombia.

Some Toulouse residents were preparing for the worst. "I won't be working that night," said a taxi driver, Jean-Paul Garcia, in Toulouse on Monday. "I don't want my car to be damaged."

**Ilie Powers Romania Over Colombia**

The Associated Press

LYON — An outstanding goal by Adrian Ilie in the 45th minute gave Romania a 1-0 victory over Colombia in a World Cup Group G match Monday.

The Romanians looked sharp throughout the game, and their slick passing was reminiscent of their sparkling displays at the 1994 Cup in the United States. Ilie's goal crowned an excellent individual effort.

Seconds before halftime, Ilie sprinted down the left side of the field, outrunning a defender as he cut into the Colombian zone. He then struck the ball with the outside of his right foot, lifting it over the advancing Colombian goalkeeper, Farid Mondragon.

Ilie's partnership in attack with Viorel Moldovan caused plenty of problems for the Colombian defense. The South American team offered little in midfield play and was disjointed in attack until the final 10 minutes.

Romania came close to breaking through as early as the 11th minute.

**ROMANIA 1, COLOMBIA 0**

when Moldovan threw himself at a deflected cross from Ilie. But he failed to make contact and the ball flashed across the goalmouth.

Four minutes later, Mondragon was forced into a fine double-save. He fought off a fierce drive from Ilie and then saved a rebound from Moldovan as well.

The battle between the two veteran No. 10s — the Romanian playmaker Gheorghe Hagi and Colombia's Carlos Valderrama — was clearly won by Hagi, who seemed to be in the middle of every play, spraying the ball from one wing to another.

Valderrama, for his part, was quiet for most of the game. But he burst to life in the final minutes.

Bogdan Stelea, the Romania goalkeeper, did not face a shot until the 38th

minute and that effort was targeted straight at him.

Colombia was mostly restricted to long-range efforts, the best of those coming on the hour when Freddy Rincon's blistering 25-meter (82-foot) shot flew just past the post.

The Colombians finally found some urgency in the final minutes when Adolfo Valencia, a bustling center forward, came on as a second-half substitute. The 30-year-old striker quickly put an end to the relatively easy night Stelea was having. In a 10-minute span, he forced two solid saves from the Romanian goalkeeper.

First, in the 61st minute, he dashed past two Romanians and slipped the ball to Rincon, whose shot beat Stelea but went inches wide.

Then, with time running out, Faustino Asprilla swept the ball to Valencia, who timed his shot poorly, allowing Stelea to gather himself.

Nine minutes from time, however, Valencia forced Stelea to dive to his right and palm away a blistering shot. "The team went onto the pitch very timidly, there was no spontaneity," said Hernan Gomez, the Colombian coach. "A lot of the players were nervous." (AP, AFP)

**England's Hooligans: Loyalty at What Price?**

**Root of Problem May Be Tolerance at Home**

By Rob Hughes  
International Herald Tribune

MARSEILLE — After three nights and a day scarred by les hooligans anglais, you might say that England beat them on the beaches, in the boulevards and on the field.

As sirens wail and citizens are hurt by the unacceptable recurrence of the English disease, England's soccer team gave a hard, disciplined and effective performance to defeat Tunisia, 2-0, under relentless sunshine at the Stade Vélodrome.

**VANTAGE POINT**

lodge. The question is not about the English ability to win difficult matches, but about whether, with its appalling record of exporting violence, it can keep from being banned from the ball.

I am English, and therefore cannot be accused of bias against that nation, with its proud history of sending out the missionaries of soccer. I wish there were some way to separate the accomplishment of the current team from the specimens who follow it like vermin follow trash.

Ordinarily, the match report would reflect a victory achieved by the head of England's captain, Alan Shearer, who scored an easy goal in the first half, and the right boot of Paul Scholes, who struck a spectacular second goal in the dying moments on Monday.

Alas, there are other things that impinge on the sporting merit. England's might was hard-headed. The team is physical and aggressive, as Adel Selimi, the Tunisian forward, will testify. When he clashed heads with England's defensive rock, Tony Adams, there was no blood spilled by the Englishman but plenty by the relatively diminutive African, who finished the first half with his head swathed in a bandage. He was stitched during the intermission and then retired, wounded.

There was blood outside the stadium too, much of it in the Old Port and on Prado beach, where the town held a party on the eve of the match to try to offer hospitality to its guests.

England's boards, dismissed once again by the British government as a "mindless minority" and "a few cretins" bit the hands that offered food in a most bestial way. Not just a few of them; but hundreds at the party and thousands in the stadium where the anthem of another country, Tunisia, was abused by a massed chorus of loutish, intolerant so-called followers of a game.

What is it with the English? I'm one of them, but I'm ashamed, and I'm lost for reason other than that a country which won wars but lost an empire has abandoned its sense of right and wrong.

I will give you a first-hand impression of the sacking of Marseille. It happened on Sunday night when, walking with two French comrades near the port, I was suddenly thrown to the ground by one of them. I realized immediately that he was trying to protect me. Overhead whistled the sound of guns, and then tear gas began seeping into our eyes.

The police were reacting to a break-out of violence around the corner where a posse of English youths, dogs of war

as they see themselves, were burning a Tunisian flag, throwing chairs at passing cars, smashing windows and frightening a teenage girl.

One youth especially made me cry inwardly for my country. "— scum!" he bawled out. "— scum!"

He had only two words, this product of someone's love and presumably someone's upbringing. His face was contorted with hate, his fists flailing toward nobody in particular. I couldn't get near enough to smell his breath to see if drink was the reason for his disorientation. He was, I gather, one of the ticketless blaming the scum (the French) for not giving him a ticket, kicking out at the world for whatever triggered his short fuse.

I could choose here to look up into the azure sky, stretch out under the warm sun and pretend all's well in the world, and tell you about the game. It wasn't a bad match. England's order and discipline, and sometimes its stirring athleticism fully merited the victory. Still, I'll be interested to see what happens when it comes up against faster, sturdier, cleverer team than Tunisia.

Voilà, le match!

What isn't going to go awry, however, is the mayhem outside the stadium where England fans are slapping in the teeth hosts whose only crime is that their country was chosen to put on this World Cup.

The other day in Nîmes, where I alighted at the train station, I was stopped by a woman who, seeing a stranger struggle with three cases, ordered that I let her carry one. She went out of her way to walk with me to my destination and departed with the words: "It's for friendship, only for friendship." So, Madame, is a World Cup.

Readers of this column will be aware that, through successive British governments, I have grown tired of asking for a suspension of the "inalienable rights" of Britons to travel abroad. If the likelihood is that they are going to rack and sack places, terrorize, maim, even kill, then the inalienable right is of the innocent victims. They should be protected.

Since the British authorities do so little to stop the problem leaving their shores, I would defend the rights of, in this case, the French police to make a short work of rounding up the hooligans and locking them up.

I know all the arguments about England giving so much to the game. I appreciate the feeling that we cannot give in to the mob, nor should we deprive millions of their pleasure because of the crass actions of the few.

But if there are rabid animals, you isolate them from the pack. That isn't happening, in part because England fails in its duty to spot them and stop them, in part because of voices who defend the indefensible and attack foreign law officers for beating so-called innocents abroad.

They are all innocent in the callow Mellor mind, provided they are English.

Virgil wrote before the birth of Christ that Britons are "completely isolated from the whole world."

I'm sorry, France. I'm sorry.

Rob Hughes is the sports correspondent of The Times of London



Gheorghe Hagi of Romania, left, battling Colombia's Carlos Valderrama.

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WORLD CUP

# Perfection At Stake as Brazil Meets Morocco

**Reuters**  
Brazil vs. Morocco, Nantes, 8:00 P.M.  
Brazil will become the first team to claim a place in the World Cup's second round if it can maintain its perfect record against African opposition on Tuesday.

With a victory over Morocco, Brazil would advance with a game to spare after its 2-1 victory over Scotland last week. Morocco played to a 2-2 draw with Norway.

Although Brazil has won all 12 internationals it has played against African teams, Morocco raised eyebrows with a vibrant display against Norway. Mario Zagallo, the Brazil coach, said Morocco was "the best team I have seen here so far."

Morocco's coach, Henri Michel, is a former French international who spent his entire playing career with the Nantes club. He was the coach of the French team that knocked Brazil out of the World Cup on penalties in the 1986 quarterfinals.

He was also in charge when France beat Brazil in the 1984 Olympics, a day when Dunga, Brazil's current captain, was playing as a 20-year-old. But as coach of Cameroon in the last World Cup, he lost, 3-0, to Brazil in a first-round match.

Zagallo will probably replace his stylistic midfielder, Giovanni, who was benched at halftime against Scotland after a disappointing performance, with Leonardo.

Zagallo's chief concern will be Morocco's Musapha Hadji, who scored his second spectacular international goal this year against Norway last Wednesday. In February, Hadji had the only goal when Morocco beat Egypt, 1-0, in an African Nations' Cup game.

Hadji will again play using painkillers, because of a broken toe. "I'm still in pain and I've still got to avoid hitting the ball too hard," he said. "When I play, I have to have an injection to kill the pain, but it only lasts 45 minutes."

Nourredine Naybet of Deportivo Coruna is likely to be given the job of guarding Ronaldo, Brazil's star striker. Scotland vs. Norway, Bordeaux, 8:30 P.M. The Scots have qualified for eight World Cups and never made it past the initial stage. Norway also failed to advance in its only previous appearance in the finals.

Both teams emphasize organization and hard work. In their first matches last Wednesday, Scotland played impressively in its defeat against Brazil, but Norway was disappointing, and fortunate, in salvaging a draw with Morocco.

"This one can help us to make history and help us to qualify, so this is important," said Craig Brown, the Scotland manager. "Equally important for Norway, I'd suggest."

Egil Olsen, the Norway coach, said his team would stick to its disciplined style of play. "In some aspects, maybe we are the most predictable team here," he said. "You'll see some direct Norwegian football, for sure."

Nineteen players from the two squads play in the English Premier League.



Andy Moeller heading in Germany's first goal in its Group F victory against the United States on Monday night.

# Klinsmann Leads Germany Past U.S.

**The Associated Press**  
PARIS — Jurgen Klinsmann continued his first-round scoring prowess Monday night in Germany's 2-0 World Cup victory over the United States.

Klinsmann, who scored four times in Germany's three opening-round games in the United States four years ago, and twice in 1990 first-round matches, was fast off the mark again at the Parc des Princes, scoring in the 65th minute after Andy Moeller's ninth-minute header had given the Germans an early lead.

The Americans, playing their third World Cup in a row, were dominated by the three-time World Cup champions, who were rarely threatened.

The American goalkeeper, Kasey Keller, came into the World Cup after four shutouts in preliminary matches, but that streak ended early.

The Germans almost went ahead in the fourth minute when Oliver Bierhoff climbed to meet a right-wing corner with a powerful header, but the ball was

blocked just short of the line by Claudio Reyna.

But Germany hit the target in the ninth when Olaf Thon swung over a corner from the left. Klinsmann got above two American defenders to head the ball into the goalmouth and Moeller headed home off the right-hand post.

Bierhoff should have added a second in the 22d minute when he controlled a

cross from the right, despite the attention of Eddie Pope, who was grabbing his shirt. But the striker, newly acquired by AC Milan, shot wide of the goal from no more than six meters (20 feet).

The Americans did little to worry the German goalkeeper, Andreas Koepke, but Chad Deering unleashed a well-struck shot from 25 meters in the 30th minute that the Olympique Marseille goalkeeper held confidently.

The Americans sent Frankie Hejduk for Burns in the second half. After Hejduk received a yellow card for a foul, he almost leveled in the 53d minute with a close-range header from a David Regis cross. Koepke reacted well to save at the foot of the post.

# Jamaica Doesn't Let Defeat Spoil the Party

## New Countries Add Zest to the Old Game

**By William Gildea**  
Washington Post Service

**L**ENS, France — Jamaicans played soccer inside the Paris train station, awaiting their train north to follow their "Reggae Boyz," who were to play Croatia in the World Cup debut for both countries. Croatia won the match, 3-1, but the score seemed beyond the point. The World Cup is not only about the games, but about the often-breathtaking settings in which they are contested and, more than anything, people joined together from all over the globe. Those of assorted nationalities gathered to cheer the Jamaicans in their impromptu game in the cavernous station, the Gare du Nord.

An Englishman pulling a suitcase accidentally walked into the middle of the

game, suddenly saw the ball coming his way, headed it to a Jamaican and bowed to the applause. Two Croatians happily joined in the ovation. "We are going to win the World Cup this year," said a Jamaican wearing a yellow "Reggae Boyz" T-shirt, settling into his seat on the train. He laughed at the impossibility, as did others. Jamaica's fans and team simply are out for a good time, blending a unique combination of samba, injected by a Brazilian coach, and reggae. As good a place as any to be was crowded with the Jamaicans on their soul train.

Jamaica, the World Cup finals' smallest country, was going to play Sunday in the smallest host town in World Cup history. The "Reggae Boyz" would be bringing cheer to a once-thriving coal-mining area hit by unemployment. Lens, like Saint-Etienne near Lyon, was chosen among France's 10 Cup venues because, although its population is only 35,280, it is a soccer hotbed. It is home to the Racing Club de Lens, a force in French football and one of the country's best-supported teams.

Its Stade Felix-Bollaert, situated in a leafy park just a short walk from the tiny train station, holds 40,000, so well-supported is the town team founded in 1906 by coal miners and for years operated by the town coal company. At mid-afternoon, Jamaicans and Croatians swarmed through the narrow streets, singing their way to the stadium as traffic stood still in single file for blocks, everyone patiently sitting in their cars letting the visitors

pass and taking in the world that remarkably had come to them.

Reese Simoes, Jamaica's Brazilian coach, recently has urged his players and fans to be happy and not count too heavily on victory. They will try to win, of course. "We will take each match as it comes and with our big hearts we could win, and what more can we ask?" Simoes added. "I tell the players they should enjoy the game. They should think of it as going to a party. And at the party, the ball is their girlfriend. So you do not allow the other guy to take your girlfriend and dance with her. You must keep her."

When the World Cup finals were expanded from France from 24 teams to 32, more countries could come without diluting the product — often the result when a U.S. sports league expands. The new teams — Jamaica, Croatia, Japan and South Africa — were not formed, like baseball's Tampa Bay Devil Rays

and Arizona Diamondbacks, from expendable players from existing teams. Soccer's new diversity adds to the celebration in the first round, and the Nigerians have people talking excitedly about how far they might advance this year as the "Indomitable Lions" of Cameroon did in 1990. New countries are bringing fresh approaches to an old game.

Croatia, though, is not a neophyte although it joined FIFA in 1992. Soccer's roots grow deep in the country, whose players compete with top clubs in Europe. The striker Davor Suker, of Real Madrid, is one of the better players in the tournament. Zvonimir Boban, the captain, plays with AC Milan. Two other starters represented Yugoslavia in the 1990 World Cup. So Croatia can go some distance.

Sunday evening was as different from Saturday's game at the huge Stade de France in Saint-Denis as Lens is different from Paris. On Saturday, the Belgians and Netherlands renewed a rivalry that has been going on since 1905. Sunday's game, by contrast, was as fresh as the air. Jamaica and Croatia embracing for the first time, in an English-style arena with covered stands close to the field. Simoes brought with him several British-based players, including Deon Burton, 21, who scored in each of four qualifying matches to become Jamaica's Sports Personality of the Year. "Cricket always has been important in Jamaica, but now the country is known internationally for, in addition to tourism and Bob Marley, its World Cup team."

**A**s a 9 P.M. rainbow glowed above the town's rooftops, alternating roars of opposing fans began — the noise walled in by the steep stands. It felt like England. Midfielder Mario Stanic put Croatia ahead as he followed a crossbar hit by defender Igor Stimac — the action coming in the 27th minute against a backdrop of constant drumming and cheering from the thousands of yellow-shirted Reggae Boyz rooters.

In the half's last minute, the Boyz retaliated. Robbie Earle, 33, who almost made England's national team a couple of years ago, headed the ball home. The cheering erupted to another level — and it kept up for the entire intermission. Horns and drums, dancing, singing — no one sat down. It was as loud a demonstration as any at the last three World Cups.

Eight minutes into the second half, Robert Prosinecki, who scored a goal for Yugoslavia in the 1990 World Cup, delivered Croatia's game-winning on a free kick, a left footer from the left side that caught the net despite a bad angle.

In the 69th minute, Suker put away a crossing pass to make it 3-1. Form held. But so did Jamaica's spirits. The beat went on to the end. And after the defeat, Simoes said, "I am quite satisfied."

**■ One Player, Two Countries**  
Like Prosinecki, Robert Jarni also played for Yugoslavia in the 1990 finals. Reuters reported. Seven players have appeared for two different countries in World Cup finals. The others are: Luis Monti (Argentina 1930 and Italy 1934), Attilio Demaria (Argentina 1930 and Italy 1934), Jose Santamaria (Uruguay 1954 and Spain 1962), Ferenc Puskas (Hungary 1954 and Spain 1962), Jose Altafini (Brazil 1958 and Italy 1962).

# World Cup Results, Goal Scorers and Group Standings

# FIRST ROUND

JUNE 16, IN MARSEILLE

JUNE 16, IN PARIS

## GROUP A

	W	L	T	GF	GA	Pts
Brazil	1	0	0	2	1	3
Morocco	0	1	0	2	2	1
Norway	0	1	0	2	2	1
Scotland	0	1	0	1	2	0

JUNE 16, IN ST. DENIS

Brazil 2, Scotland 1

Brazil — Cesar Sampaio 4, Tony Boyd 20 (pen.)

Scotland — John Collins 38 (pen.)

JUNE 16, IN MONTPELLIER

Morocco 2, Norway 2

Morocco — Hamed Hadji 28, Abdelhak Hadji 57

Norway — Youssef Chippo 45 (pen.), Don Eggen 62

## GROUP B

	W	L	T	GF	GA	Pts
Chile	0	1	0	2	2	1
Italy	0	1	0	2	2	1
Austria	0	1	0	1	1	0
Cameroon	0	1	0	1	1	0

JUNE 16, IN BORDEAUX

Chile 2, Italy 2

Chile — Marcello Salas 45, 50

Italy — Christian Vieri 10, Roberto Baggio 85 (pen.)

JUNE 16, IN TOULOUSE

Austria 1, Cameroon 1

Austria — Toni Polster 70

Cameroon — Pierre Njamba 77

## GROUP C

	W	L	T	GF	GA	Pts
France	1	0	0	3	0	3
Denmark	0	0	1	1	1	0
South Africa	0	0	1	0	1	0
South Africa	0	0	1	0	1	0

JUNE 16, IN LENS

Denmark 1, South Africa 0

Denmark — Marc Rieper 68

France 2, South Africa 0

France — Christophe Dugarry 25, Pierre Hain 78 (pen.)

Tony Henry 70

JUNE 16, IN MONTPELLIER

	W	L	T	GF	GA	Pts
Nigeria	1	0	0	3	2	3
Bulgaria	0	1	0	1	0	1
Spain	0	1	0	0	1	0
Yugoslavia	0	1	0	1	3	0

JUNE 16, IN MONTPELLIER

Bulgaria 1, Paraguay 0

Nigeria 2, Spain 2

Nigeria — Murtuza Adipala 24, Garbo Lawal 73, Sunday

Okoh 79

Spain — Fernando Hain 21, Raul 47

## GROUP D

	W	L	T	GF	GA	Pts
Mexico	0	1	0	3	1	3
Belgium	0	1	0	0	1	0
Netherlands	0	1	0	0	1	0
South Korea	0	1	0	1	3	0

JUNE 16, IN LYON

South Korea vs. Mexico

Mexico — Ricardo Pelaez 51, Luis Hernandez 75, 84

South Korea — He Seok-jin 28

JUNE 16, IN ST. DENIS

Belgium 0, Netherlands 0

## GROUP E

	W	L	T	GF	GA	Pts
Germany	1	0	0	2	0	3
Italy	0	1	0	0	1	0
Yugoslavia	0	0	1	0	1	0
United States	0	1	0	1	2	0

JUNE 16, IN ST. ETIENNE

Yugoslavia 1, Iran 0

Yugoslavia — Siniša Mihajlovic 73

Germany 1, United States 0

Germany — Andy Moeller 9, Jurgen Klinsmann 66

JUNE 16, IN PARIS

	W	L	T	GF	GA	Pts
England	1	0	0	2	0	3
Romania	0	1	0	1	0	3
Colombia	0	1	0	1	0	3
Turkey	0	1	0	1	2	0

JUNE 16, IN MARSEILLE

England 2, Turkey 0

England — Alan Shearer 42, Paul Scholes 89

Romania 1, Colombia 1

Colombia — Adrian Ilie 45

## GROUP F

	W	L	T	GF	GA	Pts
Croatia	1	0	1	3	0	3
Argentina	0	1	0	1	0	3
Japan	0	0	1	0	1	0
Jamaica	0	1	1	1	3	0

JUNE 16, IN TOULOUSE

Argentina 1, Japan 0

Argentina — Gabriel Batistuta 28

JUNE 16, IN LENS

Croatia 3, Jamaica 1

Croatia — Mario Stancic 27, Robert Prosinecki 53, Dever

Selzer 69

Jamaica — Robbie Earle 45

## GROUP G

	W	L	T	GF	GA	Pts
Germany	1	0	0	2	0	3
Italy	0	1	0	0	1	0
Yugoslavia	0	0	1	0	1	0
United States	0	1	0	1	2	0

JUNE 16, IN ST. ETIENNE

Yugoslavia 1, Iran 0

Yugoslavia — Siniša Mihajlovic 73

Germany 1, United States 0

Germany — Andy Moeller 9, Jurgen Klinsmann 66

Italy 0, Japan 0

Italy — Roberto Baggio 85 (pen.)

# DENNIS THE MENACE



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THOSE BINOCULARS WERE BRAND NEW! HAVE YOU NO RESPECT FOR OTHER PEOPLE'S PROPERTY?

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## ART BUCHWALD

## Keep Our Mouths Shut

WASHINGTON — A day doesn't go by that Ken Starr doesn't scare the heck out of me.

The latest fright came when I read that he had gone to the Supreme Court to demand access to the notes Vincent Foster's lawyer, James Hamilton, had made when talking confidentially to his client.

Starr contended that the lawyer-client privilege does not hold up when the client is dead.

As soon as I read the story I went to see my lawyer, Robert Brownley.

"Can we talk in confidence?" I asked him.

"I'm not too sure. Suppose you die and Starr demands to know what we talked about?"

"He wouldn't do that."

"Starr will do anything he

can."

"Don't say anything," he said. "Keep your thoughts to yourself. Pretend that Linda Tripp is bugging you with a tape recorder. That's the best advice I can give you until the Supreme Court decides if Starr slipped on a banana peel."

"It makes sense," I said. "At the same time I do need your help on a small matter that may or may not get me in trouble with the IRS."

"Stop. I don't want to hear any more. If you are admitting you did something wrong, this could be the end of my career as a lawyer."

"I'm sorry I bothered you."

"No problem. That will be \$450 for the best part of an hour."

Queen Mother Beats A Royal Age Record

Agence France-Presse

LONDON — Queen Elizabeth the Queen Mother beat a record for British royals Sunday when she reached the age of 97 years and 314 days.

The mother of the queen will be 98 on Aug. 4. She overtook Princess Alice, countess of Athlone, who died in January 1981 at the age of 97 and 313 days.

Despite two hip operations in two years and some difficulty in walking, the Queen Mother continues to fulfill her engagements, topping every British opinion poll as the most popular of the royals.

Save the Queen — The Queen's Master of the Music, Malcolm Williamson, and the composer Andrew Lloyd Webber are among those wanting its "dirge-like qualities" revamped. Williamson said such music should be reworked by every generation. "The vitality of state and social institutions depend upon perpetual renewal," he said. And Lloyd Webber, who is best known for the musicals "Phantom of the Opera" and "Cats," suggested that another British favorite, "Land of Hope and Glory," would make a fine anthem.

If Jessica Lange had to do it all over again, she wouldn't. "When you look at actors and actresses now, you're not seeing the thrilling talent. You are not seeing the work," Lange told the New York Daily News. "Back then, the business attracted integrity, it attracted artists, and I don't think it does anymore. I wouldn't start today."

The two-time Academy Award winner, for "Tootsie" and "Blue Sky," said, "I know I've talked about stopping before, but I'm getting closer to it. I really don't want to have remorse or regret about what I missed in terms of daily life."

The private journals of Jack Kerouac, who named and personified the "Beat Generation," reveal a man who ro-

has to get a conviction," the lawyer said. "Frankly, this is the first time the question of dead clients has come up, except possibly for Murder Incorporated. Do you know sign language?"

"Why?"

"Let's resort to sign language. That way when the special prosecutor wants to know what we said to each other I can honestly say, 'Nothing.'"

"If Starr wins, does this mean when someone dies conversations he had with his lawyer will wind up in front of a grand jury?"

"Something like that. When Starr is on a rampage there is no telling where he will go. As your lawyer I can no longer guarantee that this conversation will be off the record. I can't even guarantee it won't appear in the National Enquirer."

"Then what should I do?"

"Don't say anything," he said. "Keep your thoughts to yourself. Pretend that Linda Tripp is bugging you with a tape recorder. That's the best advice I can give you until the Supreme Court decides if Starr slipped on a banana peel."

"It makes sense," I said. "At the same time I do need your help on a small matter that may or may not get me in trouble with the IRS."

"Stop. I don't want to hear any more. If you are admitting you did something wrong, this could be the end of my career as a lawyer."

"I'm sorry I bothered you."

"No problem. That will be \$450 for the best part of an hour."

## A Slow and Creative Transformation in Beijing

By Steven Mufson  
Washington Post Service

BEIJING — "Five, four, three," Ying Da says in Chinese as the actors on the set of his latest television show get into character.

"Yubei, kaishi," he bellows. Ready, begin.

In moments he jumps up to interrupt the scene. He changes the position of one of the characters. He imitates a jealous, middle-aged woman to show an actress how he wants her to play her part. Then he's ready to begin again.

The filming of the coming series about a fictional Beijing psychiatric clinic and the hang-ups of modern Chinese is just the latest episode in the life of actor, director and producer Ying Da, 38, the maker of China's first situation comedy and the owner of China's first independent television production studio.

His television career shows how culture in China in the 1990s is being transformed from propaganda to entertainment, from mass mobilization to commercialization. The stiff poses of heroic revolutionary operas of Ying's youth have given way to experimental sculptures, movies, novels and TV programs that try to make people laugh and cry, maybe even think.

Already a well-known actor by the early 1990s, Ying made Chinese television history by directing a 1993 sitcom called "I Love My Family," a sort of "All in the Family" featuring a stodgy, old-fashioned Communist cadre, or official, as the Archie Bunker-like character struggling comically to adapt to the rapid changes and younger generation around him.

Offensive to propaganda department officials who identified with the cadre, "I Love My Family" was kept off Beijing stations but flourished on provincial cable stations. Last year, it was finally broadcast on Beijing television and garnered high ratings.

Communist China's history has already taken place once as tragedy, but are Chinese audiences ready for it to be repeated as farce? "A lot of people don't take this seriously," said Ying, whose parents were leading players in the Beijing People's Arts Theater.

"They even say it's lowbrow. But that's what theater is about. It's not just for the elegant people. In this country, Shakespeare is for the well-educated. But Shakespeare wrote for everybody."

And so while his more famous contemporaries, the directors Zhang Yimou and Chen



Ying Da, center, the maker of China's first situation comedy, on the set.

Kaige, have been making tortured and serious films applauded at international film festivals, Ying has been trying something equally difficult: making Chinese people laugh at and think about the problems of Chinese society.

"Ying Da is the best sitcom producer in China," said Willie Brent, the editor in Shanghai of a newsletter called China Entertainment Network. "He has blazed a trail

for producing actual humor that's not just slapstick but is more cerebral."

"The Chinese need some things to laugh about," Brent added. "There have been precious few of those in the past 50 years. But Ying Da is also changing the way people think, really. Rather than hearing TV recount the amount of grain this or that province produced, he is producing shows that not only make you happy but make you think a little bit about families and situations in China today."

Ying's life could be the subject of a movie — and part of it has been already. The director and actor Jiang Wen made a movie

called "In the Heat of the Sun" that portrays a gang of mischievous youngsters abandoned during the Cultural Revolution when their parents are arrested or sent to the countryside. The movie was based on a real band of youths that included Ying.

Nothing in Ying's background would have pointed toward such a wayward existence. His great-grandfather and grandfather were distinguished educators; his great-grandfather founded the renowned Fudan University, a Catholic university that later moved to Taiwan. Ying literally grew up in the theater, watching his parents on stage. Foreign plays were often performed.

But the start of the Great Proletarian Cultural Revolution in 1966 put an end to that. Under the leadership of Mao and his wife, the frustrated actress Jiang Qing, foreign plays were banned and theater groups were ordered to perform productions glorifying the Chinese revolution.

It was inevitable that Ying's father, Ying Ruocheng, would be arrested, though not until 1968. His mother was arrested at the same time. At 8, Ying Da drifted from relative to relative for meals and fell in with a gang of older kids who taught him to steal, fight and survive. "For almost four years, I

led a Huckleberry Finn life," said Ying. "That was a treasure."

He added: "That time really made me understand what life is, and it made me strong. If I can go through that, there is no trouble or pressure that I cannot stand."

At the end of 1984 Ying went to work for four months at the Eugene O'Neill repertory theater in Connecticut. Then he attended the University of Missouri at Kansas City, where his father had directed two plays. That was followed by half a year working for the movie director Alan Pakula. He returned to China in 1988, well prepared and well connected. His father, who was in the 1987 Bernardo Bertolucci film "The Last Emperor," had become vice minister of culture.

Ying Ruocheng wanted his son to play a role in joint film productions between China and the West, but his plans were upset in 1989 by the student-led democracy protests in Tiananmen Square that shook the regime. After the government ordered the army to break up the protests and hundreds of civilians were killed in the crackdown, foreign companies stayed far away from China.

Ying Da was bitter. "I didn't like the government then, but on the other hand, I didn't like the students. They rushed too much and they didn't know what they were doing. If they hadn't done that, the whole government would have changed by evolution. But they wanted a revolution."

He has produced and directed four sitcoms, two with live audiences and two with laugh tracks. He prefers live audiences because it makes the sitcoms more true to the stage tradition, though he believes that theater in China is dying. "If Shakespeare were alive now, he would write sitcoms," he said.

Of course, if Shakespeare were writing sitcoms in China, he wouldn't be able to simply do them as he liked without causing much ado from the propaganda department. He'd find quite a few subjects off-limits. Poking fun at teachers is taboo. Making light of the police is also frowned upon.

Nonetheless, Chinese television is more open than ever. With government subsidies down and advertising revenues up, the propaganda department has trouble overruling the persuasive power of the market, even though it possesses final say.

But he aspires to take on bigger subjects. "What I want to do could be politically dangerous," he says, "so I want to wait."

Next: Tian Suning, Internet rebel.

## PEOPLE

BRITISH composers want the national anthem "God Save the Queen" reworked before the millennium. Queen Elizabeth II's Master of the Music, Malcolm Williamson, and the composer Andrew Lloyd Webber are among those wanting its "dirge-like qualities" revamped. Williamson said such music should be reworked by every generation. "The vitality of state and social institutions depend upon perpetual renewal," he said. And Lloyd Webber, who is best known for the musicals "Phantom of the Opera" and "Cats," suggested that another British favorite, "Land of Hope and Glory," would make a fine anthem.

If Jessica Lange had to do it all over again, she wouldn't. "When you look at actors and actresses now, you're not seeing the thrilling talent. You are not seeing the work," Lange told the New York Daily News. "Back then, the business attracted integrity, it attracted artists, and I don't think it does anymore. I wouldn't start today."

The two-time Academy Award winner, for "Tootsie" and "Blue Sky," said, "I know I've talked about stopping before, but I'm getting closer to it. I really don't want to have remorse or regret about what I missed in terms of daily life."

The private journals of Jack Kerouac, who named and personified the "Beat Generation," reveal a man who ro-

manticized American blacks and the cultures of rural Montana and North Dakota and occasionally hated himself. Excerpts from the journals are being published in The New Yorker magazine. Kerouac kept more than 200 volumes of his personal musings from his teenage years until his death in 1969 at the age of 47 from alcohol-related causes, the magazine said. The published excerpts cover the period from 1948 to 1950, ending just days before his first book, "The Town and the City," was published. Kerouac's landmark

## Wine Expo Opens in Hong Kong

Agence France-Presse

HONG KONG — The first international wine and spirits exhibition to open in Asia will begin here Tuesday with organizers confident of strong support despite the regional economic crisis.

The three-day event was organized by France's Vinexpo, the world's largest wine and spirits exhibition, which is held every two years in Bordeaux. About 704 exhibitors from 31 wine-producing countries are to attend the Hong Kong expo, the first time the group has held one outside Bordeaux. "This is a very big step and a very big challenge," said Robert Beynat, chief executive of Vinexpo.

Christie's auction house will hold its first Hong Kong auction of fine wines during the exhibition.

work, "On the Road," which was published in 1957, was first conceived during this period, according to the journal entries.

The Nobel laureate Camilo Jose Cela, a novelist known for straight and sometimes earthy talk, has infuriated people in Spain with remarks about homosexuals. Spain is in the middle of big celebrations marking the 100th anniversary of the birth of the playwright Federico Garcia Lorca, who was executed by nationalist forces in 1936 at the start of the Spanish Civil War. He was homosexual. Cela, in a lecture in the town of Pontevedra, said he would have preferred commemorative festivities that were "more solid, less anecdotal and without the support of gay groups." Cela, 72, won the Nobel prize for literature in 1989.

A copy of the proofs of Charles Baudelaire's 19th-century anthology "Les Fleurs du Mal" is going up for auction this week in Paris. The 1857 proofs, heavily annotated by the French poet, belonged to Baudelaire's friend and publisher Auguste Poulet-Malassis, whose patience wore thin over the poet's endless corrections, symbolic of his unending quest for stylistic purity. On the back of the proofs, Poulet-Malassis wrote: "I am beginning to feel more and more, my dear Baudelaire, that you are taking advantage of me, which I in no way deserve."



LIKE THIS — Milton Berle, left, helping Robin Williams sing at Radio City Music Hall during the eighth Comic Relief benefit for homeless people in America.



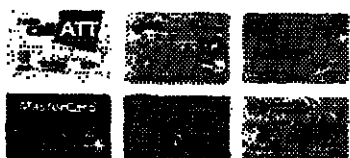
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Milosevic Agrees to Talks With Kosovars

He Tells Russian Leaders Troops Will Remain in The Restive Province

MOSCOW — Slobodan Milosevic, president of the Federal Republic of Yugoslavia, agreed Tuesday to meet with the leaders of the Kosovo Albanian rebels to discuss a possible end to the conflict in the province. The meeting, which took place in the capital, was the first since the start of the conflict in March. Milosevic said he was willing to talk, but he also warned that the Yugoslav army would remain in the province. He said that the rebels were not interested in a peaceful solution and that they were only interested in violence. The meeting was attended by several high-ranking officials from both sides, including the Serbian prime minister and the leader of the rebel forces. The meeting was expected to be a key moment in the conflict, as it would determine whether the two sides were willing to negotiate a peaceful end to the fighting.

## Soccer Violence

MADRID — Soccer fans in the city of Madrid were warned to expect a day of trouble as they prepared for the start of the new season. The city's police department issued a warning that there would be a high risk of violence between fans of different teams. The warning came after a series of incidents in the city, including a riot in the city center and a fight between fans of two different teams. The police department said that it was taking extra precautions to prevent further incidents, but it also warned that fans should be prepared for a day of trouble. The new season was expected to start on Saturday, and fans were expected to be out in large numbers. The police department said that it was taking extra precautions to prevent further incidents, but it also warned that fans should be prepared for a day of trouble.

## For U.S. Team, a T

By [Name] — The U.S. Olympic team is expected to have a tough time in the upcoming games, as they face strong competition from other countries. The team is expected to be one of the favorites to win the gold medal, but they will face a tough challenge in the upcoming games. The team is expected to be one of the favorites to win the gold medal, but they will face a tough challenge in the upcoming games. The team is expected to be one of the favorites to win the gold medal, but they will face a tough challenge in the upcoming games.

## NEWS ANALYSIS

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